

PREDICTORS OF SALES PERFORMANCE
IN B2B HYBRID ORGANISATIONS:
AN ACTION RESEARCH INQUIRY

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by

Sebastian Groß

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Abstract

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in B2B Hybrid Organisations:
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by Sebastian Groß

This action research thesis is about the predictors of sales performance within organisations, which are shifting from a manufacturer of goods towards a hybrid company, supplementing their goods offerings with services, or a pure service company.

The objectives of this research have been to identify the key criteria that characterise successful sales organisations or salespeople within these types of companies and what differences exist between the sales approaches and salespeople's behaviour. This research has further aimed to explore how people in sales organisations are recruited and developed within the context of such a change initiative. The latter aim is particularly important, since this study was conducted as an action research inquiry within the context of an interim management provider, who help their clients on these topics through external support.

The author has adopted pragmatism as a theoretical position to reach a better understanding of the scope of the problems. This has generated actionable knowledge relevant for sales organisations transitioning from a goods-dominant business towards a hybrid or service-dominant business.

A literature review has been conducted to get a better understanding of the drivers and forces beyond servitization and sales within a business-to-business (B2B) context. The first research action cycle was based on the problem definition and initial literature review. Qualitative and quantitative research methods were then applied as elements of the action research process. Qualitative research was a part of cycle one and quantitative research methods were applied in cycle two.

Based on the existing literature and the interviews that were conducted, the role of technical and product knowledge, as well as customer and industry knowledge was investigated. Additionally, the relevance of adapting sales approaches to varying customer demands, the role of internal collaboration as a moderating factor for sales success and the role of sales control systems, with a particular focus on reward systems, were a part of further research within cycle two. Sixteen hypotheses were developed and tested by means of an electronic survey. This survey thus identified the differences between sales organisations with an industrial background (goods-dominant) and those with a background in IT and telecommunications (hybrid or service-dominant).

In regard to most of the hypotheses presented here, this study found no evidence of significant differences between Industrial and IT sales organisations. As factors that significantly influence the performance of sales organisations within hybrid and service-dominant businesses, this study has identified reward systems and, in particular, the extent to which organisations use incentive compensation as a means for motivation, as well as the extent to which salespeople are rewarded for their results. Moreover, qualitative and quantitative research provided several interesting insights for sales organisations coping with change driven by servitization.

As conducted within the scope of this thesis, an action research project aims at improving a problem faced by an organisation. The assumptions made to address the underlying problem and a potential resolution did – during cycle one – not turn out as suitable, so that the initial problem could not be addressed as initially planned. Instead of personality traits, differences between Industrial and IT sales organisations were identified based on knowledge, behaviour and control. This did also address the problem and improve the situation, even if it was not initially intended in this way.

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1 Introduction

The purpose of this thesis is to address the problems surrounding success in the context of servitization and sales, within a business-to-business (B2B) context. In particular, it focusses on sales organisations in hybrid organisations, i.e., organisations that are developing or have already shifted from a goods-dominant business into a service-based business.

This thesis will contribute to the knowledge and experience of overcoming the potential hurdles within the change process and support a smoother implementation within a transformation like servitization. By utilising an action research approach, this thesis not only contributes to public knowledge about the predictors of sales performance in hybrid organisations, it also contributes to organisational learning and the creation of local knowledge within the authors' organisation.

1.1 Introduction to the topic

Servitization is about the strategic development of goods producing companies into the area of services in order to differentiate them in commoditised markets and address new revenue sources (Vandermerwe and Rada, 1988). The main drivers for this "service-led growth" (Ulaga and Loveland, 2014, p. 114) are increased competition in existing markets, decreasing margins due to increased competition or commoditised markets and the increasing complexity of customers' needs due to their focus on core business activities (Kindström, 2010, Paiola et al., 2012). Servitization is not only associated with new opportunities for growth but also with the challenges resulting from the necessity to adjust organisational strategies and structures (Raddats and Burton, 2011). Organisations are not usually positioned at one of the extreme positions of just producing products or just delivering services because products are appended by services, such as maintenance or installation services. Meanwhile, physical products are sometimes also used to deliver services.

In general, services can be differentiated from products by their intangibility and simultaneity (Van Dierdonck, 1992). Organisations that are not positioned close to one of the extreme positions have been defined by Ulaga and Reinartz (2011) as hybrid organisations and their offerings have been called hybrid offerings (Ulaga and Reinartz, 2011). Changing organisations from goods-dominant businesses into service-dominant businesses is a challenge in terms of structures, processes and how they position themselves on the market. It is also a challenge in terms of how they interact with the markets and, primarily, their customers (Bolton et al., 2007, Raddats and Burton, 2011, Reinartz and Ulaga, 2008).

Traditionally, within product-centric organisations, the sales force is the primary interface between the organisation and its customers. Since servitization requires another form of interaction between the organisation and its customers, it also requires another approach to selling and another way of analysing how the sales organisation sees itself and how its role and responsibility is defined. A further demand for change occurs from increasing customer demands. Selling hybrid offerings or services is more about delivering a solution to a certain problem, instead of just delivering a product (Van Dierdonck, 1992).

In fact, selling solutions is more complex than selling products and requires another set of skills and capabilities. It is more about service culture, contextualised technical expertise and a customer-oriented attitude than the commonly-used persuasion model, which is used in most product sales organisations (Paiola et al., 2012, Ulaga and Loveland, 2014). Shifting the organisation from a product towards a service-dominant business also requires a more customer-centric sales organisation and another type of employee present in sales organisations. Since the traditional persuasion model is less applicable within the service context, sales employees no longer need merely to have an extrovert personality with charisma and a pushy attitude. Instead, they need to “understand the customer and sharpen their ability to provide excellence customer service” (Sheth and Sharma, 2008, p. 266). That is, they need to have strong networking capabilities and be able to create and sell value to the customer (Ulaga and Reinartz, 2011).

According to Ulaga and Reinartz (2011), transforming the sales organisation, in correspondence to the demand of the change that is driven by servitization, is one of the key success factors in making service-led growth successful. At the same time, this is particularly important because sales organisations are amongst the main hurdles in overcoming change resistance (Ulaga and Loveland, 2014).

1.2 Initial problem / purpose of this study

The purpose of this research is to address the issue of the factors producing sales success within the described context, while at the same time contributing to the organisational development of the authors' organisation.

The author's organisation has provided interim management services and executive search within a highly competitive market environment. Its customers are enterprises of each size and from nearly each industry. The organisation's services are often associated with change initiatives within its customers' organisations; in particular, interim management is often used to support transformations and to adopt an organisation to changing market conditions. Amongst their customers, there are several manufacturers and Industrial organisations facing the challenges of change within their respective market. Another focal

point of customers are clients from the telecommunications and information technology sector - an industry which is already highly servitized.

In order to enhance their market position, the organisation has started to change their offering through the provision of further services and improving the services delivered by using new tools and methods. One of these tools are psychometric tests. As a tool, psychometric tests are used to support the staffing of vacant positions and to improve the quality of selected candidates for interim or permanent positions. They can be further used to support change by accompanying the development of employees if change requires new traits and behaviour, or if employees need to be replaced.

Transforming a sales organisation from a goods-selling organisation into a hybrid or service-selling organisation requires a great many changes; in particular, on an employee level.

This study intends to address the issue of servitisation-driven change within sales organisations, if psychometric tests can support change processes within them, and if a combination of both can create a competitive advantage for the authors' organisation. For this reason, this study investigates the predictors of sales success within the context of servitisation and how executives within sales organisations manage the process of change.

1.3 Context of the study

ABC – a synonym for the company where the action research project has taken place – is a multinational agency for interim management services and recruiting services. It was founded about 15 years ago in the United Kingdom and now serves customers in 10 countries. The author of this study works as a Managing Partner within the network of ABC and is responsible for projects within the information technology, telecommunications and media sectors.

1.3.1 Services provided by ABC

Interim managers are usually experienced senior managers who are hired on a temporary basis. They are usually hired to cover vacant management positions or to cover increasing demand resulting from organisational projects. Another important area for interim managers is change projects including, but not limited to, the restructuring of organisations (Duncan, 2006, Feltham and Hughes, 1999, Smid et al., 2006, Storey et al., 2002). ABC is an interim management provider that arranges for experienced managers to complete managerial tasks during a project that, on average, lasts about three to nine months (Executives Online, 2011). During this project, the interim managers were seen to be involved in the organisation as fixed employed managers, but in fact they delivered their experience of

several projects including their external view on organisational issues. The role of ABC is to perform interim management services within the clients' organisation, either based on an interim manager who is hired for the purpose of the contract or by someone from the ABC network.

Another area of business for ABC is recruitment services, where the services provided are focused on filling the vacancies in management and specialist positions. Recruitment agencies are an integral part of the labour market where agencies are contracted to search and select the right candidate for a financial reward (Clark, 1995). ABC is usually hired to fill a certain position. It identifies candidates from its database and the candidates' network. It then pre-selects the candidates and puts forward those that are suitable to the client. Together with their human resources department and the hiring manager, the candidates run through a selection process including interviews, a reference check and, potentially, psychometric tests. Some clients also check potential candidates by means of an assessment centre.

ABC delivers its services to customers from nearly all industries. Its main focus is on financial services, automotive, FMCG, healthcare, information technology, telecommunications, manufacturing, retail and logistics. Each partner within the ABC network focuses on a certain industry, based on his background and personal network.

1.3.2 Relevance of the problem

The problem in scope is relevant to the author of this study and his organisation, being that he is working as a managing partner within ABC. Since ABC supports organisations from various industries in their transformation, the shift from goods-dominant businesses to service-dominant businesses also affects its clients. Gaining a better understanding of the topic will result in organisational learning and, therefore, further development of ABCs strategy by creating a more specified go-to market approach and so creating a competitive advantage. The results can be relevant to both business areas, even if they seem to be more relevant to interim management services, where ABC often supports change projects that are driven by changing market environments.

Even if servitization is a topic that is highly relevant and widely discussed in affected organisations and in an academic context, Industry 4.0 and digitalisation are trends within the market that also have a high public awareness. These are also areas that have a broad audience. Since Industry 4.0 is about the integration of information technology in manufacturing processes and logistics, it will also affect manufacturing organisations by creating further challenges with regard to their value chain and their requirement to move beyond their current scope of business in order to remain competitive (Porter and

Heppelmann, 2014). Many change projects that are a result of market-driven changes, like Industry 4.0, result in the need to adapt the organisation. ABC expects increasing demand from customers within the context of Industry 4.0 and digitalisation in relation to similar demands described within the servitization literature. Addressing the problem and creating an environment for organisational learning to adopt the guidelines, practices and experiences of ABC continuously to the unfolding, changing demands of servitization, Industry 4.0 and digitalisation is therefore highly relevant for maintaining the competitiveness of services provided by ABC.

1.3.3 Background of the researcher

Due to his personal background and experience, the author is focused on B2B sales organisations within the information technology, telecommunications and media industry. He has worked on several sales and sales management positions within the mentioned industries. For a few years, he was working as a partner in the ABC network. He has conducted several interim management projects, both as an interim manager, acting on the behalf of client organisations, and as a provider, finding a position for an interim manager from the pool of ABC interim managers and accompanying these projects.

The projects mentioned have covered a number of organisations and triggers but, in particular, they have all been about the establishment of new sales channels or sales organisations, the management of sales organisations or by advising a sales organisation through a change project. The main purpose of these projects has always been to support client organisations to realise growth through addressing new market opportunities with increasing sales efficiency or addressing new market segments. The author positions and projects have covered not only structural alignments or advisory interventions on a strategic level, but also the staffing of sales organisations or the personnel development of existing sales employees to comply with the increasing demands.

1.3.4 Industry focus

As mentioned above, the author of this study has a strong background in information technology, telecommunications and media. Most offerings within the telecommunications and media industry are classified as services; the main criteria for this classification are the intangible elements of value creation if not their intangibility itself (Lovelock and Wirtz, 2011). Therefore, if they are only providing services without a hardware component, these organisations are classified as service businesses. Organisations providing services around or based on hardware / goods are classified as hybrid organisations.

Within the industries described, the shift from product to services has already occurred in many organisations. Even if many offerings within the information technology,

telecommunications or media sector are services, goods-dominant businesses still exist. They particularly exist on – based on common conceptual models for telecommunication or computing - lower levels, i.e. offerings which are close to infrastructure services. For example, customers can purchase a service (e.g., hosting services or hosted voice over Internet Protocol services) where service providers have built a shared infrastructure to create a higher-level service. Alternatively, customers can build this infrastructure on their own. This requires investing in a hardware infrastructure rather than payment based on usage. For these customers, or the service providers who create services for end customers, goods-dominant businesses or, in other terms, hardware manufacturers are still a vital part of the industry.

Another example to illustrate this shift within the industry is the increasing shift from own information technology infrastructure towards so-called cloud services. While the former requires an investment in the physical hardware within a datacentre, cloud services are usually ordered and paid on demand. The selection process for cloud services is limited to output features (e.g., performance) and commercial terms, rather than the technical specification of single hardware components and its manufacturer. On the other hand, the service provider offering cloud services definitely needs physical hardware components to create its services.

1.4 Approach used to address the problem

Research conducted by a researcher who is, at the same time, active as a manager or employee, bringing change into its organisation, is the key differentiator of action research to other field study methods (Thorpe and Holt, 2008). It may be further defined as an “informed investigation into a real management issue in an organisation by a participating researcher, resulting in an actionable solution to the issue” (Thorpe and Holt, 2008, p. 17). Compared to traditional social sciences research methods, the main differentiator is the link between cause and effect in connection with the researcher’s role duality (Holian and Coghlan, 2012, Somekh, 2006).

This study follows an insider action research approach, as described by Holian and Coghlan (2012). It is designed to take action on an organisational issue while, at the same time, researching the problem in scope. It is intended to bring change into organisations (Holian and Coghlan, 2012), as well as to create actionable knowledge.

Holian and Coghlan (2012) describe the critical factors for the process of insider action research as a cyclical process and collaborative process, where the members of the system actively participate in the cyclical process. Since the organisation in scope is primarily built on self-employed partners and freelance contractors, which are temporarily employed for

the purpose of a project, it is more complex to define a “traditional” organisation that is involved into the research process. Nevertheless, parts of the organisation have been involved in the research process. The status of the organisation, with its many external stakeholders, have also provided the opportunity to integrate external stakeholders into the action research process to obtain the best possible insights. The reciprocal collaboration of insider-outsider teams is considered as the ideal form of participatory action research (Herr and Anderson, 2005). However, this status could not be achieved due to the limited availability of external stakeholders for recurring action research. Nonetheless, it was possible to consider the external insights of potential clients and experienced (interim) sales managers of ABC, which have been beneficial for addressing the problem. Combining the local knowledge of the author and his peers within the organisation and the knowledge and insights brought by these outsiders, “into a shared understanding serves as the basis for solving practical problems” (Greenwood and Levin, 2007, p. 102).

Action research draws on a variety of quantitative and qualitative research methods, depending on what is suitable to generate knowledge within the respective context (Somekh, 2006). Such an eclectic approach is usually avoided outside of action research methodologies. However, it is suitable for action research to address the diversity of issues and incorporate all of the sources that might be relevant (Greenwood et al., 1993).

Even if participatory action research is about participation within a social context of the organisation, Greenwood et al. (1993) have described the complexity of initiating a fully developed participatory action research project. They argue that it did not start with a fully developed project. Instead, they acknowledge that the research process unfolds from being an expert research model towards a participatory action research model.

1.5 Overview of the thesis

This thesis is structured into five chapters, starting with an introductory chapter describing the context of the study and the organisation where the study seeks to improve organisational learning about the problem. The research questions are stated and put into context, as well as their relevance to the problem in scope.

Following the introduction, chapter 2 provides an extensive review of the existing literature about the transformation from goods-dominant businesses into service-dominant businesses and sales in a B2B context. Drivers for change and potential strategies as well as organisational alignments responding to this changing market environment are presented. Chapter two further covers the role of sales and marketing within a B2B context. It emphasises sales between two businesses and introduces different selling approaches and the development of sales methods, approaches and organisations in recent centuries.

The methodology of this study is described in chapter 3. It introduces the reader to research within the social sciences and the underlying research method of action research. It describes the method applied for this study and its potential limitations and ethical issues. Complementary to the chosen methodology for the study, this chapter describes how data has been collected, i.e. how the survey and interview were planned, how the sample was selected and how the data was collected.

The findings of consecutive research cycles are presented in chapter 4. This presents how the action research cycles of plan, act and reflect have been conducted and what knowledge could be generated from taking action on the problem and how it has contributed to a better understanding of the problem.

This thesis concludes with a presentation of the conclusion in chapter 5, which has been drawn from the action taken on the problem. Here it is discussed how the thesis has contributed to the knowledge and what practical and relevant findings are available. Based on the limitations of the study or findings of the action research cycles, some areas of the topic might need further elaboration. These areas are described as further research.

2 Review of literature

This thesis combines two areas of interest: servitization as a driving force for organisational change, as well as sales organisations themselves as the subject where change occurs.

Chapter 2.1 introduces to the existing body of knowledge about servitization. It covers the external drivers for organisations, examining which advantages and disadvantages are associated with change drive by servitization, and how servitization may act as a differentiator or how it may create a competitive advantage. This sub-chapter concludes with a review of strategies that could be applied to develop from a goods-dominant business towards a service-dominant business, as well as determining how a service-driven business model is to be adopted and what criteria of success are described within the existing literature.

Servitization requires organisational change within the entire organisation and on every level. It requires a further, close interaction with customers to create value. Market-related departments therefore play an important role within this transformation. Chapter 2.2 contributes to the existing literature about sales within a B2B context. It focuses on sales and marketing within the B2B context, the changing environment of B2B sales and how sales and marketing are integrated. It also introduces a study of the development of B2B sales within the last centuries and determines the factors for sales success.

This literature review concludes in 2.3 describing the role of sales organisations within the context of servitization.

Chapter 2.4 introduces the research questions developed not only from identifying a gap within extant literature. Since this action research projects aims at solving a practical problem, research questions were developed based on the practical problem under consideration of current coverage in literature.

2.1 Servitization

2.1.1 Introduction to servitization

Manufacturing firms have felt the need to respond to economic pressures while remaining competitive. As such, they have identified value creation by adding services to their products or completely shifting towards a service-based business model (Baines et al., 2009a, Kindström, 2010, Paiola et al., 2012). This transition from the conventional manufacturing of goods to the provision of service was originally coined as servitization by Vandermerwe and Rada (1988). According to these authors, servitization involves packages of customer-focused combinations of knowledge, self-service, support, services and goods, instead of simply selling only products (Vandermerwe and Rada, 1988). In

contemporary literature, servitization is often associated with manufacturing firms (Dachs et al., 2013).

Nevertheless, Vandermerwe and Rada (1988) introduced their article about the servitization of business with a statement about the underlying developments of servitization. They argue that these developments are not limited to certain industries:

“More and more corporations throughout the world are adding value to their core corporate offerings through services. The trend is pervading almost all industries, is customer demand-driven, and perceived by corporations as sharpening their competitive edges” (Vandermerwe and Rada, 1988, p. 314)

In the literature on servitization, the terms ‘goods’ and ‘products’ are mostly used interchangeably. Both terms characterise goods, which are differentiated from services by their characteristics. Goods are tangible and have to be produced and delivered. Meanwhile, “services are performed rather than produced and are essentially intangible” (Vandermerwe and Rada, 1988, p. 315). Intangibility implies that the services are immaterial - they are characterised by acts, deeds and their simultaneity. Services are often more heterogeneous than products (Van Dierdonck, 1992). Simultaneity is about the simultaneous occurrence of production and consumption. Services cannot be kept in stock and this brings certain new requirements for companies that are moving along the goods-service continuum (Kindström, 2010, Kujala et al., 2010, Van Dierdonck, 1992, Vandermerwe and Rada, 1988). Servitization does not imply a complete shift from a goods-dominant logic towards a service-dominant logic with the objective of becoming a pure service provider as, for example, in financial services (Mathieu, 2001b, Raddats and Burton, 2011). Ulaga and Reinartz (2011) emphasise the importance of hybrid solutions as a means of increasing a manufacturer’s positioning by combining products and services in an innovative offering (Ulaga and Reinartz, 2011).

The underlying rationale of moving into a service-dominant logic or a service-based business is not simply the addition of services. Instead, the rationale is to develop a service orientation and a service-based business model as a response to the increasing competition for commoditised goods and increasing customer demands (Kindström, 2010). According to Smith and Maull (2014), to realise service-led growth (Ulaga and Loveland, 2014), integrating customers into the value creation process is one of the main foci of change. This development is also reflected in the Vandermerwe and Rada (1988) reference, as cited above, which states that offering services is the result of customer-driven demand. Rather than engaging in the mass manufacturing of goods, servitization places emphasis on

the initiation and maintenance of close relationships with customers, as well as the delivery of tailored and varied solutions to customers (Baines et al., 2009a, Smith and Maull, 2014).

Salonen (2011) defines solutions as “individualised offers for complex customer problems that are interactively designed and whose components offer an integrative added value by combining products and/or services so that the value is more than the sum of the components” (Salonen, 2011, p. 684). Baines et al. (2009b) noted that servitization involves transforming manufacturing to allow firms to compete via product service systems instead of products. It should further be noted that different research communities have evolved. As a result, there are different terms for similar topics. Servitization, product-service systems and services sciences are hence some of the areas where researchers have identified and researched similar principles (Baines et al., 2009b). Product-Service Systems (PSS) are considered by Baines et al. (2007) as a special case of servitization (Baines et al., 2007). PSS are about selling the capability to use a product rather than owning the product. In addition to a different commercial model, which implies pay-per-use models rather than ownership, it always integrates products and services (Baines et al., 2007). Through its different approach to consumption and production, it also contributes to a more sustainable society (Beuren et al., 2013). While Product-Service-Systems are a special case of servitization, services sciences integrates all academic activities around services, recognising a need for trans-disciplinary research due to the increasing importance for services in today’s economies (Hefley and Murphy, 2008).

The majority of B2B firms have traditionally been product-centred businesses and these companies are currently involved in servitization by offering services that are aligned with their customers’ operations (Raddats and Easingwood, 2010). The arguments given for the entry of product-centred B2B firms into service operations include customer, economic and competitive concerns (Oliva and Kallenberg, 2003). In the B2B context, firms are searching for competitive advantages via service addition perspectives that reflect different service offerings and strategies. While the service offerings of some of the firms are still underdeveloped (Lay et al., 2010), other firms have after-sales services - such as training, technical support, repair and spares - which aim to improve the reliability of their products (Gebauer, 2007).

Other firms in the B2B context focus more on revenue growth, rather than product reliability, by implementing outsourcing services. For such services, the manufacturer assumes the responsibility and risk of the operational processes of the customers (Ulaga and Reinartz, 2011). In other cases, firms are focused on the development of solutions by selling combined services and product offerings to deal with customer concerns. In return, they receive compensation based on attained performance (Nordin et al., 2011). Firms in

the B2B context offer services that fail to fit into a single category of service offerings in a specific typology (Raddats and Kowalkowski, 2014). Indeed, Kowalkowski et al. (2011) have noted that some firms offer several product-autonomous services, including integrated solutions and consultancy, together with after-sales services to their customers. In addition, Matthyssens and Vandenbempt (2010) describe four service infusion trajectories based on the dimensions of added value in the offerings and degree of customization. Trajectories range from adding standardized services to a product, or to customize the product (product-focused customisation) respectively the services (tailored service addition) depending on a customers' demand (Matthyssens and Vandenbempt, 2010). If an organisation offers highly customised products and services, Matthyssens and Vandenbempt (2010) describe the main characteristics of these customer process optimization as being an outsourcing solution which is characterised by an offering based on uptime and process integration. According to Matthyssens and Vandenbempt (2010), most firms combine varied of these service growth trajectories.

Raddats and Kowalkowski (2014) have examined the different service offerings and strategies of firms in the B2B context. Here, the researchers created a typology of service strategies by collecting data from 145 B2B manufacturers in the UK. The results revealed distinct categories of service offerings in B2B firms. Specifically, product-attached services involve the product installation for vendors, while vendor independent operations services entail offering different vendor products based on availability. Operations services on own products deal with providing own products based on availability (Raddats and Kowalkowski, 2014). Using these categories, the researchers have identified the generic service strategies in the B2B context, including service enthusiasts, service pragmatists and service doubters (Raddats and Kowalkowski, 2014). Kowalkowski et al. (2015) have further challenged these service-led growth strategies utilising a problematisation methodology, resulting in strategies of becoming an availability provider, a performance provider or becoming an industrialiser as growth trajectories (Kowalkowski et al., 2015). Service enthusiasts according to Raddats and Kowalkowski (2014) consider services to be growth enablers and product differentiators. Service pragmatists consider product-attached services to be the main differentiator, while service doubters do not consider services to be a robust differentiator and therefore lack focus on any classification of service offerings (Raddats and Kowalkowski, 2014).

Thus, services are used by services pragmatics to create product differentiation. The implication is that these firms do not establish separate strategic business units for their services and products because they provide product-attached services (Raddats and Kowalkowski, 2014). According to Ulaga and Reinartz (2011), this approach allows the firms to take advantage of the benefits that are provided by the strategic association between

service and product operations. This strategy is necessary for services that are directly linked to a firm's products. Conversely, service addition is an inappropriate approach for product differentiation for services doubters. Services are used by services enthusiasts in differentiating their products and developing growth that is led by services (Ulaga and Reinartz, 2011).

Thus, service enthusiasts have autonomous strategic business units in charge of service operations. This trend is supported by past findings showing that manufacturers offering a wide range of services create autonomous strategic business units with responsibility over their service business (Gebauer and Kowalkowski, 2012). Based on the findings of their study, Raddats and Kowalkowski (2014) thus concluded that firms in the B2B context need to implement service strategies that reflect the existing market opportunities and firms' capabilities.

2.1.2 Drivers for servitization

The main drivers, covered in the literature, for moving from goods-dominant businesses towards a service-dominant business and hybrid offerings can be categorised into financial, strategic (competitive advantage) and marketing drivers (Baines et al., 2009b).

First, servitization allows manufacturing firms to attain steady income flows and high profit margins (Gebauer et al., 2006). The high profits are acquired from a stability in the sales services streams and from the considerable revenue that is obtained on products with long life cycles profitability (Eggert et al., 2014). In addition, the combinations of service and products are less sensitive to competition based on price and through servitization (Confente et al., 2015). Firms are able to realign and reposition their financial generation activities in a manner that increases their profitability, instead of only focusing on their physical products (Confente et al., 2015). Past research has suggested that a combination of service and product sales has more resistance to economic cycles, affecting the investment cycles for products (Eggert et al., 2014). Services revenues are considered to be more resistant or even counter-cyclical to economic development (Gebauer and Fleisch, 2007). Interestingly, a service paradox has been explored by Neely (2009), who suggest that firms pursuing servitization have higher revenues but lower net profitability compared to firms that are not servitised. Such research has further shown that the profitability of hybrid offerings differ between small and large organisations, while higher risks are associated with providing services (Neely, 2009).

Another study has demonstrated that labour-concentrated services have improved the sales of products and highlighted a positive but non-linear association between profitability and the scope of a firm's service activities (Kastalli and Van Looy, 2013). Kastalli and Van

Looy's (2013) study demonstrated that, initially, manufacturing firms acquire increased profits although this diminishes in the long-term following servitization. Eggert et al. (2011) support this view, even if their research has shown different links between profitability and they type of service provider. Providers who support the clients action did not show any link to long-term profitability (Eggert et al., 2011). Kastalli and Van Looy (2013) argue that the increment in profitability in the initial stages of servitization is achievable when firms invest largely in the development of their service capabilities. As such, they have to strive for economies of scales (Kastalli and Van Looy, 2013).

Second, servitization provides firms with strategic benefits. Such benefits are associated with the sustainable competitive advantage that is obtained from services. This is because these advantages are more challenging to imitate, highly labour dependent and less visible (Gebauer and Fleisch, 2007). This competitive aspect is highly important in the manufacturing sector, where strategies for differentiating between firms based on low prices, product or technological superiority have become increasingly challenging for firms to maintain (Baines et al., 2009b). Hou and Neely (2013) have noted that servitization allows firms to utilise service elements in differentiating their manufacturing offerings, thus providing a competitive advantage. By integrating services into their offerings, firms should be able to create a differentiator to block out competition and lock-in customers to their company (Vandermerwe and Rada, 1988).

Finally, manufacturing firms have been driven to engage in servitization due to marketing benefits. Servitization allows manufacturing firms to leverage their service provision in selling more products (Gebauer and Fleisch, 2007). Purchasing decisions are determined by the dimension of services and the manufacturing sector is not exempt from this, as customers are increasingly demanding services from the manufacturers of products (Gebauer and Fleisch, 2007). Furthermore, services lead to customer loyalty, particularly where customers are highly dependent on a supplier of specific products (Baines et al., 2009b). Blut et al. (2014) recognise that services assist firms in creating customer loyalty by inducing repeat sales and increased opportunities for contact with customers, so placing suppliers in unique positions to provide other services and products.

2.1.3 Advantages and risks associated with servitization

Various studies have demonstrated the advantages of shifting towards services for manufacturing firms. Eggert et al. (2011) examined the effect of servitization on firm profitability in 414 firms in the mechanical engineering industry. Eggert et al. (2011) found that combining product innovation with servitization resulted in higher profitability for firms. Furthermore, Crozet and Milet (2015) examined the impact of servitization on the performance of over 50,000 non-servitised and servitised manufacturing firms between

1997 and 2007 in France. Here, the researchers discovered that servitization had a causal effect on the performance of firms in terms of increased sales of goods, total sales, employment and profitability.

Specifically, servitization increased employment by 30%, total sales by 3.7%, sales of goods by 3.6%, and profitability between 3.7% and 5.3% (Crozet and Milet, 2015, p. 3). Similarly, Kastalli and Van Looy (2013) found a positive but non-linear association between the scale of service activities and the profitability of the firm. Specifically, when a firm initially engages in servitization, it has witnessed an increase in profitability but a decline in profitability in the long-term (Neely, 2009). Thus, the researchers concluded that growth in profitability among servitised firms is achievable when the firm's investments in service capability are transformed into economies of scale (Kastalli and Van Looy, 2013). Other researchers have also looked at the impact of mediating factors on the relationship between service offerings and the performance of manufacturing firms (Kohtamaki et al., 2015). Using data from 115 manufacturing firms, the study showed that service orientation mediates the relationship between the services offered and a firm's performance in terms of profits and revenues (Kohtamaki et al., 2015). Thus, servitization positively affects a firm's performance when a service orientation is implemented in the firm. The studies reviewed here so reveal that the benefits of servitization are associated with its positive effect on firm performance.

Conversely, other studies have shown the disadvantages of shifting towards services by firms. Benedettini et al. (2013) have performed an analysis of the characteristics of nearly 200 manufacturing firms. Benedettini et al. (2013) checked the firms' size and age, revealing a negative association between the proportion of services that the firms offered to their customers and their probability of survival. In particular, firms that offered a wider range of services were highly likely to declare bankruptcy, attributed to the changes in the risk structure of firms following servitization (Benedettini et al., 2013).

Other studies have examined the risks that are related to the expansion of services by manufacturing firms. Some researchers have argued that expanding service offerings poses external and internal risks to the firm (Gebauer and Fleisch, 2007). Internal risks are associated with the necessity of adopting the norms and values that are related to service offerings, so managing the association with the prevailing product-centred organisational culture. External risks are attributed to customers who might be unwilling to engage in knowledge sharing with the supplier, which is necessary for the delivery of advanced services (Gebauer and Fleisch, 2007).

Fang et al. (2008) contend that extending service strategies increases the risks for firms, as this might entail sacrificing the key resource inputs of a firm's vital competencies in

manufacturing. Furthermore, it has also been noted that services lead to an increase in the comprehensiveness of the offerings of a manufacturing firm. In turn, this can result in the emergence of transaction risks, where customers show a reluctance in accepting expanded offerings due to perceptions of probable opportunistic behaviour by the suppliers (Penttinen and Palmer, 2007).

The impact of servitization on a firm's risk profile has also been examined by Benedettini et al. (2013). In this study, the researchers utilised quantitative evidence from 54 non-servitised and 75 servitised bankrupted firms. They found that firms that pursued servitization into demand chain services - such as financial services, distribution and retail - faced higher environmental risks than those that servitised in product support services such as support and maintenance.

According to Benedettini et al. (2015), demand chain services require considerable investments and when environmental conditions are unfavourable, such as the loss of interest in a firm's products by customers, the losses in services are linked to a decline in product sales. In a more recent study, Benedettini et al. (2015) have examined the effect of service addition on risks, affecting firms that use 54 non-servitised and 75 servitised bankrupt manufacturers. Supporting previous findings, Benedettini et al. (2015) found that service businesses result in a higher number of bankruptcy risks for firms due to the higher internal risks. Similarly, they found that manufacturing firms offering demand chain services have exposure to more environmental risks and this prevents the realisation of financial benefits from servitization (Benedettini et al., 2015).

As shown by the research discussed above, the disadvantages of servitization may thus be said to be associated with the increase in risks following the addition of services.

2.1.4 Services as a differentiator

Services can be used in creating a competitive advantage for a firm by differentiating a manufactured offering from its competitors (Gebauer et al., 2008, Kindström, 2010).

According to Vandermerwe and Rada (1988), services offer competitive advantages by creating barriers for third parties or competitors that offer a similar product, so differentiating the offering in the market and establishing customer dependency on a firm. Thus, a sustainable competitive advantage might be achieved by providing services that are co-produced with the involvement of customers (Gebauer, 2008). In recognition of the significance of services as a differentiator, firms therefore need to have a service strategy in place. According to Gebauer et al. (2006), a service strategy describes the approach that is utilised by a firm for differentiating itself from its competitors using its service offerings.

Being that it is challenging for firms to maintain low prices and product superiority, a service strategy establishes the background for competitiveness in services. Selecting a suitable service strategy relies on the market's competitive intensity and business environment conditions, the intricacy of customer requirements and a firm's value chain position (Gebauer et al., 2010b). Furthermore, the suggestion is that the formation of service strategies depends on the acquisition of external and internal information, so sharing and using such information to benefit the firm (Neu and Brown, 2005).

Gebauer et al. (2010c) argue that a service strategy is dynamic and ought to change over time to ensure that a firm acquires a competitive advantage. Implementing a service strategy is an operation that is conducted across the entire organisation to increase service-based aspects. There are various fundamental aspects for successfully implementing a service strategy. These include acquiring an extensive understanding of the market in terms of future trends in services, market potential and customer needs (Gebauer et al., 2006). Moreover, there is a need to ensure that all of the units of a firm affected by this strategy should participate in developing the strategy (Gebauer et al., 2006). Finally, the procedure for implementing the service strategy needs to be transparent, systematic and have various feedback loops (Gebauer et al., 2006). Thus, using a service strategy allows a firm to achieve a competitive advantage by using its services (Gebauer et al., 2006).

2.1.5 Service strategies

Manufacturing firms employ different strategies to master the transition from a goods-dominant business towards a service-dominant business.

Raddats and Easingwood (2010) have developed a model showing four different types of service strategies. This model has two dimensions: the multi-vendor orientation of services with its own products as one option, then own and third party products as a second alternative. In regard to the product/customer orientation of services dimension, the options are products and customers. These two dimensions each have two options and result in four service strategies.

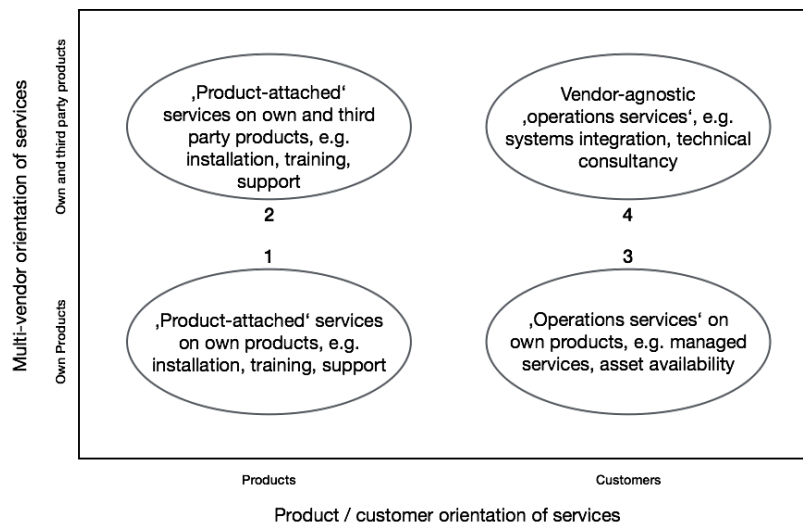


Figure 1 – Typology of service strategies (Raddats and Easingwood, 2010, p. 1338)

Paiola et al. (2013) also describe a framework for assessing an organisation's service strategies. Strategies that are eligible for this transition are differentiated by two dimensions. Their framework is differentiated based on 'how' the services are developed and performed, as well as 'which' components drive transition. The development of service capabilities can be done internally, externally or as a mixed form of internal and external development. Service components can be services augmenting the product offering, as well as basic services for the installed base, advanced services for the installed base, design and construction services or outsourcing processes for customer processes (Paiola et al., 2013).

Another framework used to assess the categories of service strategies has been proposed by Ulaga and Reinartz (2011). They categorise service strategies by their orientation towards the company's own products, as well their orientation to the customer's processes. The second dimension of Ulaga and Reinartz (2011) is the nature of the value proposition, which is promised by the service provider. Categories within this dimension include the input-based proposition of service providers to deliver a certain deed and the output-based promise of providers to deliver a certain performance (Ulaga and Reinartz, 2011).

Companies tend to shift from product-based services to more process-oriented services (Ulaga and Reinartz, 2011). By applying such a strategy, firms move into more complex offerings with additional service elements and so transform their earning logic to continuous from discrete cash flows (Storbacka et al., 2013). There is another strategy that involves providing customised rather than standardised services (Lightfoot and Gebauer, 2011), or engaging in transitioning to relational from transactional services (Oliva and Kallenberg, 2003). In this strategy, manufacturing firms focus on implementing flexible, proactive, long-

term and customised relationships with partners and customers (Matthyssens and Vandenbempt, 2010).

Nevertheless, the adoption of more extensive and complex service offerings increases the operational costs and coordination risks for firms (Nordin et al., 2011). Conversely, the effective management of these factors gives firms the incentive to extend their offerings when it comes to service and product combinations. When a manufacturing firm achieves total transition in the three dimensions, they are offering solutions instead of simply providing advanced and basic services (Kowalkowski et al., 2015).

Various researchers have explained how these strategies can be applied by firms during servitization. For instance, Mathieu (2001a) has differentiated between services that support a product involving low relational interaction and customisation levels versus services that support a customer and involve high people content, customisation and interactivity. Whether a firm can develop the latter is influenced by the supplier's capability of establishing strong client relationships and developing a shared understanding of the firm's service offerings.

The literature also indicates that firms pass through various unique phases when developing their service-product strategies (Matthyssens and Vandenbempt, 2010). In line with this, a four phase perspective for manufacturers has been proposed (Oliva and Kallenberg, 2003). In the initial phase, firms focus on consolidating their product-associated services. In the second phase, firms enter into the installed base service market (Matthyssens and Vandenbempt, 2010). Next, they either focus on the expansion of their process-centred or relationship based services (Oliva and Kallenberg, 2003). Finally, firms end up taking over the operations of the end-user (Oliva and Kallenberg, 2003).

Other researchers have developed a framework that considers the nature of the relationship between the sellers and buyers in terms of being relational or transactional, as well as whether the offerings are complete or less so (Penttinen and Palmer, 2007). Here, the researchers have conducted a case study so identifying two transitional paths for four firms that have already made a transition towards complete service offerings. The initial path is characterised by an extension of a firm's existing product range or through the bundling of existing services and products together and the addition of product-associated services (Penttinen and Palmer, 2007). In this context, firms have a more complete offering. The second path involves the firm developing closer associations with customers by increasing the exchange of information, establishing cooperative norms and increasing operational linkages. The latter is characteristic of a relational perspective (Penttinen and Palmer, 2007).

Ultimately, all the firms examined are categorised into a more complete offering or relational services strategy or integrated solution. According to the authors, the factors driving this process include acquiring new competencies via networking, using updated information technology and building close relationships with customers (Penttinen and Palmer, 2007).

Matthyssens and Vandenbempt (2008) have developed a framework that considers the extent of integration into the technical and business processes, leading to three paths to transitioning towards a service-dominant business. The first path is technical integration, where aspects of the customer's technical processes are handled by an outsourced supplier (Matthyssens and Vandenbempt, 2008). The supplier then integrates the processes into his own technical offering. The second path is offering services that were previously performed by the customer's finance and administrative staff (Matthyssens and Vandenbempt, 2008). The third path involves combining offering services and technical integration. Matthyssens and Vandenbempt (2008) have thus highlighted the necessity of realising external and internal alignment to overcome the challenges that exist within the transition paths.

Gebauer (2008) has proposed service strategies that can be used by manufacturing firms. The initial strategy involves after-sales service providers targeting customers by focusing on price and ensuring proper product functioning and reliable support in cases of breakdown where customers want to pay separately (Matthyssens and Vandenbempt, 2010). The second strategy is characterised by the customer support provider offering process-oriented services with the goal of preventing breakdowns (Gebauer, 2008). In this context, there is the customisation of the service and bundling with the manufacturer's product under one price and package. The third strategy uses outsourcing partners in the form of service companies that offer operational services and cost-efficient capacity to buyers who are price conscious (Gebauer, 2008). The final strategy involves the development of partners providing research and development services for customers in their search for the differentiation of products (Gebauer, 2008). Similarly, this strategy is characterised by the provision of process-oriented and after-sales services (Gebauer, 2008, Matthyssens and Vandenbempt, 2010).

Helander and Möller (2007) have differentiated between supplier roles, which they have linked to a firm's market strategies and strategic position. These supplier roles include the performance provider, availability provider and equipment supplier (Helander and Möller, 2007). Equipment suppliers offer services that are directly associated with their equipment, indicating product-based services. Firms then place the emphasis on providing services for maintaining and supporting the product business, as well as sales of the product.

According to Ulaga and Reinartz (2011), such services are standardised, transactional and product-based. Conversely, availability providers offer service initiatives and so utilise services as a way of differentiating themselves from their competitors. Such service offerings are customised, relational and user-oriented. Availability providers rely on internal knowledge and components, as well as external knowledge, services and components from suppliers (Helander and Moller, 2008). Finally, performance providers have a wide knowledge of the future and present needs of customers and focus on extending their service activities in response to the customer demand for capability development and expertise amongst suppliers. In this role, the suppliers offer services to operate and manage the customer processes (Helander and Moller, 2007).

2.1.6 Alignments to adopt a service-driven business model

An alignment between external and internal dimensions is necessary for firms to achieve the benefits that are associated with servitization (Neely, 2009). In particular, firms require an alignment in their internal definition of service offerings, organisational arrangements or cultural attitude towards services and strategic intent (Alghisi et al., 2013). Alghisi et al. (2013) have developed a framework that represents aspects of external and internal alignment in servitization. The internal dimensions include the company, offering and strategy, while the external dimensions include the customers and service network (Alghisi et al., 2013). According to Alghisi et al. (2013), these dimensions have to be aligned to achieve success in servitization. Under the internal dimension of strategy, the researchers identified various related concepts including strategic vision, and commitment and leadership, as well as the product-relatedness of a firm's brand (Alghisi et al., 2013).

The second internal dimension includes the scalability, time scale, capabilities and formalisation of new service development processes and critical mass (Alghisi et al., 2013). The issue of critical mass is related to a firm achieving a critical mass in sales of between 20% and 30% to achieve positive impacts in its service strategies (Alghisi et al., 2013, p. 4). The final internal dimension is the company that includes organisational readiness, risk management, cultural readiness and training and communication (Alghisi et al., 2013).

The external dimensions that require alignment with the afore-mentioned internal dimensions include customers and service network partners (Alghisi and Saccani, 2015). Customer issues affecting servitization include cultural readiness, co-production, integration practices and customer interface capabilities (Alghisi et al., 2013). Co-production involves motivating a firm's customers to be involved in co-producing services. The final external dimension is the service network, which includes integration practices, interface capabilities, cultural readiness and supplier competition (Alghisi and Saccani, 2015). Here, supplier interface capabilities are concerned with ensuring a higher integration

of suppliers in the value chain (Alghisi et al., 2013). Integration practices deal with the increased cooperation between manufacturers and other actors in the service network for the provision of advanced services (Alghisi et al., 2013). Cultural readiness involves accepting the transition from products to services by suppliers in the service network (Alghisi et al., 2013). Finally, supplier competition entails the competition with other suppliers in the service network that are offering services to customers (Alghisi et al., 2013).

The framework provided by Alghisi et al. (2013) highlights the internal and external organisational alignments that are necessary for successfully implementing servitization in manufacturing firms. This framework provides guidance and direction in which aspects of the organisation's external and internal environment have to be aligned when a firm transitions from products to services to achieve the expected outcomes.

2.1.7 Criteria for successful transformation

A manufacturing firm may successfully transition from products to services when it has fulfilled the appropriate internal criteria at both an operational and strategic level (Martinez and Hobbi, 2008). As manufacturers start to transition from products to service, they have to implement organisational reconstruction and establish more service-based models for operations (Martinez and Hobbi, 2008). Transitioning from products to services can be challenging for manufacturers being that it affects elements of customer relationships, organisational structures, organisational culture and corporate strategy (Gebauer et al., 2006). Various criteria are thus necessary for firms in order to transition from products and services. These criteria are further outlined below.

2.1.7.1 Service-aligned organisational culture

The first criterion that a manufacturer requires in order to transition from products to services is to have a service-aligned organisational culture. According to Gebauer et al. (2010a), a service-aligned culture consists of various aspects, including the service orientation of employee and management behaviour, as well as employee and management values. It is therefore related to both the explicit and implicit aspects of a firm's organisational culture. Organisational culture positively affects the development of service culture and performance of a firm during the transformation towards a service provider (Gebauer et al., 2009). The existence of a service-aligned culture is thus necessary for achieving profitability from services and it is suggested that a service-aligned culture mediates the effect of a firm's service orientation strategy on the performance outcomes that are associated with services (Homburg et al., 2003).

Similarly, a service culture can be considered as a resource that is challenging to imitate, improves a firm's performance and establishes a competitive advantage (Homburg et al.,

2003). The existence of these elements is supported by an empirical study finding that having a service orientation within the corporate culture is positively related to a firm's overall performance (Gebauer et al., 2010a). The management of transition from product to services in manufacturing firms can thus be challenging being that the conventional product-based culture varies from a service-aligned culture.

However, researchers have noted that a conventional manufacturing culture in firms negatively affects the transition towards providing services (Martinez et al., 2010). To achieve success in servitization, manufacturing firms therefore have to approach it as both a cultural and strategic change in the organisation (Martinez et al., 2010). Service is concerned with service additions to product offerings and delivering value to customers. Therefore, the creation of a service-oriented culture allows the firm to establish relationships with customers and acquire information that might lead to new business opportunities beneficial to both the customers and suppliers (Martinez et al., 2010).

2.1.7.2 Organisational structure

The second criterion for transitioning to service offerings is the existence of a suitable organisational structure. This is associated with establishing strategic business units (Gebauer et al., 2009, Oliva and Kallenberg, 2003). Neu and Brown (2008) have argued that the extent to which manufacturing firms achieve anticipated returns from their service operations relies on the capability of designing an alignment of the organisational aspects that fit the external operating environment. Thus, to achieve the goals stated in a firm's service strategy, the organisational structure needs to align with both the external and internal factors. In recognition of this requirement, one suggestion is that firms organise themselves around their customers and establish customer-oriented business units (Galbraith, 2005).

According to Oliva and Kallenberg (2003), the integration of a service business reflects the extent to which services are handled by a distinctive business unit corresponds to a profit and loss responsibility. In line with this definition, Gebauer et al. (2010a) note that the separation of services from product operations requires a firm to establish a unique strategic business unit for its services, exercising complete control over customer targeting and developing, setting prices, selling and delivering service offerings. For this reason, developing a distinctive division in the firm that is devoted to the delivery of services ensures that this business unit is responsible for the financial responsibilities associated with loss and profit in service operations (Gebauer et al., 2009).

Oliva and Kallenberg (2003) consider service solutions to be an extension of offerings to the products owned by customers and so presuppose that service solutions are only offered

after customers obtain products. However, this perspective fails to acknowledge the relationship between services and manufacturing and contends that service operations should be separated from the product placement and manufacturing activities (Windahl and Lakemond, 2010). Indeed, it has been suggested that an organisational structure should have a back and a front, where the front is included in manufacturing operations for dealing with tailored solutions (Pawar et al., 2009). The separation of service organisations is considered to be more effective compared to the existence of integrated business units. Conversely, Oliva and Kallenberg (2003) note that, because of research limitations, it is still not clear if such success can be attributed to managerial initiatives in a distinctive service organisation.

Gebauer et al. (2006) emphasise the existence of a distinctive business unit for services by demonstrating that companies successful in enhancing their revenues from services were those with decentralised organisations that are targeted at services with loss and profit responsibility. In their study, Gebauer et al. (2010a) demonstrated that integrated service organisations constrain the development of a service alignment in firms. To be specific, an integrated service unit is established within the behaviour and values that are associated with a product and manufacturing orientation (Gebauer et al., 2010a). However, this unit creates conflict between the prevailing product-based culture and the service-based culture, which then hampers the development of the firm's service culture (Gebauer et al., 2010a). For this reason, the separation of product and service organisations prevents conflicts between the service and manufacturing orientation. Therefore, an organisation's structure affects the development of a service-based culture in a firm.

While some authors support the existence of distinctive service units, others argue for the integration of service activities within the manufacturing firm's current organisation. For instance, Neu and Brown (2005) suggested that firms positioning themselves as service providers need to have an integrated service and product division for achieving the complex needs of their customers. Brax (2005) has highlighted the necessity for integration of service business units due to the continuous need for support by customers. Evidently, there is a lack of consensus in regard to the appropriate organisational structure that is necessary for transforming from product to a service orientation. Nevertheless, successful servitization needs manufacturing firms to review their organisational structure.

2.1.7.3 Customer-centred service development

The third criterion for transitioning to services is having a customer-centred service development. It should be recognised that the successful development of services requires a firm to have customer-centred and formal development processes with clear milestones (Gebauer et al., 2010b). Similarly, Gebauer et al. (2006) have noted that firms achieving

success in developing services utilise a structured approach to service development, which includes the identification of market needs, conceptualisation, the testing of the idea and market introduction. The successful implementation of the service development process then provides a firm with the opportunity to differentiate its service offerings during market introduction.

Researchers are of the opinion that manufacturing firms require a market orientation to succeed in developing services (Gebauer et al., 2007, Oliva and Kallenberg, 2003). Furthermore, Neu and Brown (2005) note that having a market orientation and adequate understanding of the needs of customers is necessary for the development of successful services in B2B contexts. This observation is further supported by Brax (2005), who stated that knowledge of operational conditions and the customers' contexts is vital because the design of services is geared towards supporting customers' business practices and goals. Correspondingly, Sawhney et al. (2003) argue that firms need to have a customer orientation in their development of service and acquire customers' input by considering that customers are active partners in the development of services. Consistently, Vargo and Lusch (2004) have suggested that the role of the customer and identification of the customers' approach should be reconsidered in terms of their involvement in the co-production of services as a necessity for firms transitioning to services.

2.2 Sales in a B2B context

2.2.1 Introduction to B2B marketing and sales

A variety of terms are used to describe the discipline of marketing within a B2B context. These are, for example, organisational marketing, business marketing or B2B marketing (Brennan et al., 2007). Kotler and Levy (1969) have described marketing as a pervasive societal activity that is not limited to businesses. Kotler and Levy (1969) argue that marketing has to go beyond the traditional definition of selling a certain product.

Sales organisations, sales forces and personal selling are integral parts of the marketing mix, and are particularly important within a B2B context. Personal selling occurs in various contexts but the majority of sales take place in an environment where long-term relationships are developed and repeating business is the norm (Donaldson, 1998a). The role of sales is not only important for selling products or services but also, for generating valuable knowledge for an organisation's further development. This is because sales and marketing people have close contact with the market and can easily identify new developments in the market that affect competitors and they observe changing customer needs (Krishnan et al., 2012). In particular, salespeople identify information in the market that is later analysed with the respective marketing functions in order that the company can adopt competitive strategies. Here, the sales function has a role of developing the

strategies that are generated by the marketing function. In the end, the sales force bridges the feedback loop by demonstrating the impact of implementing the new marketing strategy (Johlke, 2015).

2.2.2 Changing environment in B2B sales and marketing

The external business environment has forced organisations to change their strategies through adopting competitive advantages to promote their survival in a tough environment. Success in a competitive market is based on the ability of a particular organisation to adapt its systems to changing market factors (Jones et al., 2005). Managers are then expected to be able to control the market factors, although some of them prove difficult. For instance, customer expectations and preferences, business opportunities and threats cannot be controlled by management activities.

Although it has become a common norm for business organisations to adapt to the micro-environmental factors to create a competitive advantage, the marketing segment has remained vital. Importantly, salespeople have an important responsibility to ensure that the company adapts to changing external factors. As such, the salespeople of a particular company play an important role in identifying and implementing strategies that suit the competitiveness of the organisation in the marketplace (Johlke, 2015).

Rackham and DeVincentis (cited by Jones et al., 2005) have described the situation of sales organisations as:

“Sales forces are caught in the middle. On one side, their customers have changed dramatically in terms of how they purchase and what they expect. On the other side, their own corporations have shifted, going through downsizing, restructuring, and cost cutting. Traditional boundaries, such as those between sales and marketing, have crumbled. Salespeople have to cope with more products, introduced faster with shorter life cycles, and less competitive differentiation” (Rackham and DeVincentis cited by Jones et al., 2005, p. 105)

Sieck and Goldmann (2014) conceive of the challenges for B2B sales organisations in terms of three categories of change. First, the changing purchasing behaviour and the increasing importance of purchasing departments influence the role of B2B sales. Many customers reduce the number of suppliers to increase their buying power and reduce process costs (Sieck and Goldmann, 2014). Purchasing decisions are made globally and within international buying teams. In recent years, the demand for managing the whole supply chain has increased (Sieck and Goldmann, 2014). Secondly, the market environment is changing at an ever-increasing speed, which implies that more companies are entering and

leaving the business landscape, being that their business model is outdated and they did not properly adapt to change. Market dynamics in the form of merger and acquisition and the use of technology also lead to higher transparency on the part of potential suppliers and prices (Sieck and Goldmann, 2014). Finally, technology has not only affected the buying process but it has also changed how salespeople access customers, how they may present themselves or even whether they have to interact personally (Johlke, 2015, Sieck and Goldmann, 2014).

2.2.3 Integration of sales and marketing

Another important area that has to be considered in B2B marketing and sales is the level of sales and marketing integration. Rouzies et al. (2013) have defined sales and marketing integration as “the extent to which the activities carried out by the two functions are supportive of each other and lead to the realisation of each other’s goals and objectives in a coordinated, synchronised or thoughtfully sequenced manner” (Rouzies et al., 2013, p. 113). Similarly, Kahn and Mentzner (1998) have classified integration as a component of interaction, communication exchange, collaboration and composite. Therefore, the integration of sales and marketing can clearly be differentiated from other simple communication procedures within an organisation (Kotler et al., 2006).

The role of the two functions is influential in positively affecting the business performance of an organisation (Rouzies et al., 2013). Looking at typical marketing and sales processes in business marketing, marketing activities like advertising, promotions, sponsorships, exhibitions, etc., are closely connected to personal selling activities. Their actual level of integration depends on several internal and external factors (Donaldson, 1998a). However, the approaches that are used for undertaking an integration of sales and marketing functions have not been clearly defined in order that all companies can adopt a similar structure. Kotler et al. (2006) have identified cultural and economic factors as the main issues that reduce the integration of sales and marketing functions within an organisation. Their arguments are based on the fact that salespeople are doers, whereas marketers are the thinkers of corporate strategies. As such, the two functions cannot be easily integrated being that they undervalue the other's responsibilities. For instance, marketing cannot integrate with sales because it is out of contact with the market forces (Homburg et al., 2003).

The role of marketing in an organisation is successful in an environment where it is in close collaboration with the marketplace. Homburg et al. (2003) have claimed that marketing departments may be affected by the low level of knowledge regarding the market and products because of insufficient systems for information sharing between sales and marketing. This shows that a failure in the sales and marketing functions to integrate

properly means that they will not be able to provide adequate information about the market changes required to create a competitive advantage. As such, a high level of integration of marketing and sales provides an organisation with the ability to respond to the external factors affecting business success.

The main challenge for organisations is the common ideal of integrating sales and marketing. As such, many researchers are interested in exploring the best ways to achieve this. With respect to the market controlled organisational change, the integration of sales and marketing has become a major issue of concern. The main issue in the integration of the two functions remains their connection and the enhanced strategic manoeuvrability of the target market challenges. Jones et al. (2005) argue that the realisation of a conflict between the sales and marketing functions is a precursor of a failing organisational change strategy. Otherwise, proper integration remains the ideal approach for integrating sales and marketing to provide market intelligence and promote organisational change (Homburg et al., 2003).

2.2.4 Evolution of sales

The process of selling has evolved over the years due to the changing market environment and increasing demands. Wotruba (1996) described the causes for change in industrial sales organisations from three different perspectives: the customers, competitors and company. Changes and trends from all of these perspectives have an effect on the salesperson's position, sales processes and the salespeople (Wotruba, 1996). As a result of changing sales organisations, prevalent sales models have evolved from a more transactional process towards a solution-oriented or value-selling approach. Rackham (1998) describes three different models of transactional, consultative and enterprise sales. Transaction selling and consultative selling are further covered in the literature, acknowledging their relevance as widely accepted sales models (Ingram et al., 2001, Zoltners et al., 2004). The main criteria for differentiating models are product, service characteristics, buyer concerns, and the nature of relationship (Rackham, 1998). Transactional selling is used for standard products and services that are well understood and easy to substitute and where main criteria for customers are price, availability risk and ease of acquisition. The relationship between the selling and buying organisation is limited to a buyer-seller relationship (Rackham, 1998). A problem-solving approach thus characterises the consultative sales model, addresses the customers' key issues and seeks to establish a cooperative relationship in which the sales representative acts as an advisor to the buying company (Rackham, 1998). This has its origins in the late 1950s and differentiates from transactional selling by first listening to the customer and his problem,

then presenting the benefits of meeting the customer's demand rather than merely presenting technical specifications (Dunn et al., 1981).

Another important approach within B2B sales is to offer a solution to a customer's demand. Solution selling, with its core characteristics of addressing the need of a customer, is closely related to the shift from a goods-dominant to a service-dominant business model (Sääksjärvi et al., 2011). Solution selling is not only a question of presenting a certain product within the context of a customer's problem, it is defined as an integrated approach through which products and services are combined together so that they are able to provide desired outcomes for the targeted customers. Sawhney (2006) has defined solution selling as "an integrated combination of products and services customised for a set of customers that allows customers to achieve better outcomes than the sum of the individual components" (Sawhney, 2006, p. 369). This definition indicates that solution selling is an integrated combination of strategies that promotes desirable outcomes for the customers.

Conversely, Brady et al. (2005) have also defined solution selling as a set of factors that combines the best practices in achieving desired objectives. On the other hand, high-value integrated solutions constitute a strategy used to ensure that specific demands of customers are addressed through particular combinations (Brady et al., 2005). Increased competition in the market has created a situation whereby customers have preferred tastes and demands (Brady et al., 2005). However, the complex nature of the global market indicates that the demands cannot be completely fulfilled without integrating other factors (Brady et al., 2005).

Another important dimension in the literature review is the nature of the solution selling approach, which can be adopted by a particular company. Galbraith (2005) demonstrates a difference between the vertical and horizontal strategies of solution selling. Vertical solution approaches require a designed customer-centred approach, compared to horizontal solution strategies (Galbraith, 2005). With this in mind, Dunn et al. (1991) set out to develop levels of buyer and seller relationships - from transactional selling to partnership solution selling - which are offered for business and products issues. In particular here, a product solution is developed through an augmented approach that combines several various product solutions to solve an impending problem for an organisation.

Adamson et al. (2012) have challenged the standard perspective on solution sales, postulating that selling solutions is no longer a strategy for success. Solution selling suggests that the customer is already aware of what is needed to address a certain demand and that a supplier can start to interact with the customer as soon as the customer is aware of the problem. However, insight selling is about uncovering unrecognised needs,

based on the supplier's insights (Adamson et al., 2012). This is then in line with the view that a supplier's organisation is part of an industry's network.

Piercy (2010) and Hedaa and Ritter (2005) have described the view beyond the boundaries of the suppliers or their customer's organisations. Piercy (2010) gives a different perspective on the evolution of sales organisations, emphasising the changing focus of sales activities. Traditionally, the focus of sales was to turn the manufacturer's product into cash flow, based on satisfying needs. The focus has then evolved to a customer perspective with a high focus on customer satisfaction and retention. This has involved a shift from a manufacturer's need towards the needs of the customer.

The third and final shift is to focus on the customer's end-users and their markets. The new sales focus is on understanding the customer's end-user markets and so focusing the sales role on supporting the customer's positioning and efficiency in its markets (Piercy, 2010). Hedaa and Ritter (2005) describe the supplier's development through these views. This development ranges from a competent and production-oriented view to a network view. The relationship is considered to be an interconnected, embedded and interacting network (Hedaa and Ritter, 2005).

2.2.5 Factors for sales performance

The factors that impact the effectiveness and, therefore, the performance of salespeople and sales organisations are multifaceted and widely researched, both within academic and professional literature. Already, in 1985, Churchill, et. al. cited by Donaldson (1998b) had identified 116 studies listing 1653 possible variables that have an impact on the performance of salespeople. The performance of salespeople, who are at the forefront of an organisation's selling process, is essential in satisfying the sales experience, which is one of the most important concerns of organisational buyers (Boaz et al., 2010). The factors that constitute a satisfying sales experience have been widely described by several authors and are summarised in this section.

Weitz (1981) provided a contingency model of salesperson effectiveness, influencing the factors of sales performance include selling behaviour, the salesperson's resources and the salesperson-customer relationship, as well as the characteristics of the customer's buying habits (Weitz, 1981). Selling behaviours influence the salesperson's effectiveness depending on how he or she adapts to the customers and uses influence techniques, as well as how the sales interactions are controlled (Weitz, 1981). Product and customer knowledge, as well as analytical and interpersonal skills, are the resources that affect a salesperson's effectiveness (Weitz, 1981). The relationship between the salesperson and the customer, as well as the characteristics of the customer's buying task, also influences

sales effectiveness (Weitz, 1981). Customer knowledge is then described as a main factor of success, in particular within a service-selling context. The knowledge of customers and the solutions that they are created based on that knowledge thus constituted a source of competitive advantage (Sheth and Sharma, 2008). Knowledge of each type of customer is considered to be a resource-based factor that influences salespeople's performance (Piercy et al., 1998).

Many of these resource-based factors have been connected by Piercy et al. (1998) to salespeople's behaviour and sales management. They describe the behaviour of salespeople as an important factor for sales success, criticising the focus of most sales managers on outcome results (Piercy et al., 1998).

Piercy et al. (1998) further investigated the impact of several salespeople's characteristics, grouping them into five characteristics. First, product knowledge, company knowledge, integrated sales expertise and professional competence are described as the salesperson's capabilities (Piercy et al., 1998). Second, the salesperson's attitudes include his commitment to the organisation, acceptance of direction and authority, collaboration style as a team player, attitude towards performance reviews and his propensity to take risks (Piercy et al., 1998). Third, motivation can be differentiated by intrinsic motivation, peer recognition and the salesperson's motivation to serve the sales organisation (Piercy et al., 1998). The fourth group of characteristics is about selling strategies, which includes the number of sales calls, ratio between selling and non-selling time, customer-oriented strategies and other factors that are directly associated with selling activities (Piercy et al., 1998).

Lastly, Piercy, Cravens and Morgan (1998) described several performance factors including target achievement, servicing customer needs and other sales and output results. A similar type of categorisation was put forward by Churchill et al. (1985), who came up with aptitude, skill level, motivation, role perception, personal variables and organisational environment factors as categories for variables that impact sales performance (Churchill et al., 1985). An important finding of the research conducted by Churchill et al. (1985) was that not one single personal factor influences sales performance but, rather, a combination of various conditions: "The type of the product, the market, the buyer or buying organisation, the characteristics of the firm, its culture and ethos, the type of manager and management style and the type of salesperson all have an influence" (Donaldson, 1998b, p. 45).

Based on a contemporary meta-analysis of sales performance, Verbeke et al. (2010) then renewed the work of Churchill et al. (1985), identifying five sub-categories that have significant relationships with sales performance. These are: selling-related knowledge, the degree of adaptiveness, role ambiguity, cognitive aptitude and work engagement (Verbeke

et al., 2010). Selling-related knowledge covers product and technical knowledge, customer knowledge and all of the knowledge that is necessary to identify and approach sales situations properly, as well as to choose the right sales strategy (Verbeke et al., 2010). The degree of adaptiveness is related to adaptive selling and the salesperson's ability to adjust his sales presentation to situational needs (Verbeke et al., 2010).

The clarity of roles, or – in reverse - role ambiguity, is further related to sales performance. Sales performance is about clear expectations and all of the information that is needed to perform the job adequately (Verbeke et al., 2010). Meanwhile, cognitive aptitude is about the general mental ability of the salesperson. Finally, the fifth factor that is significantly related to performance is work engagement, which is described as enthusiasm or a similar positive and motivated state of fulfilment (Verbeke et al., 2010).

Another examination of B2B sales performance was conducted by Zallocco et al. (2009). They proposed a differentiation of performance factors between internally- and externally-focused measures, as well as effectiveness-efficiency. The factors involved in measuring sales performance differentiated by these dimensions are sales outputs, the salesperson's skills / capability development, sales activities and market indicators (Zallocco et al., 2009). Sales performance measures are not only related to the individual salesperson but also other factors in the selling process and the circumstances influencing the sales performance (Zallocco et al., 2009). Terho et al. (2015) have also considered a wide variety of factors that influence sales performance. Their research investigates the relationship between sales strategy, market performance, value-based selling, salesperson's performance and customer orientation. Research findings showed that customer orientation has a positive impact on value-based selling (Terho et al., 2015). In turn, this has a positive impact on the salesperson's performance. Such findings serve to show a significant relationship between prioritisation as part of sales management and the salesperson's performance (Terho et al., 2015).

In turn, research conducted by Boaz et al. (2010) identified the most destructive factors within a sales process. A sales representative contacting a customer too often is often considered to be the most destructive activity in sales (Boaz et al., 2010). Second, product knowledge of the selling organisation and competitors' products, as well as a lack of industry and business knowledge and transferring it into the needs of the customers, are important factors for organisational buyers (Boaz et al., 2010). These findings are in line with a study by Kreindler and Rajguru (2006), who identified the subject matter and solution expertise, as well as a thorough understanding of the customer's business and industry, as the most important factors of customer expectations.

The authors that have already been mentioned have also considered external factors that influence sales performance. Conte and Gintoft (2005) focused on the personality traits of people that are significantly related to sales performance. They tested extraversion, conscientiousness and polychronicity with regard to their impact on sales performance. Extraversion and polychronicity are about the degree to which someone prefers to focus on a single task or to handle various tasks at the same time. These are positively correlated with sales performance (Conte and Gintoft, 2005), although Conte and Gintoft (2005) did not identify a relationship between sales performance and conscientiousness.

However, Sitser et al. (2013) related these elements to general job performance. They also researched the big five personality traits, identifying a correlation between conscientiousness, agreeableness, emotional stability, proactivity, detail orientation, consideration and stress resistance to various sales-related job performance items, such as achieving sales results, customer relationship management, administration or handling customer objections (Sitser et al., 2013).

Reviewing the literature about sales performance and effectiveness, Singh and Koshy (2010) summarised their findings as a call for more customer-centric measurements, due to a high level of heterogeneity in B2B salespeople's performance. Singh and Koshy (2010) set five propositions, which can be summarised as: customer-oriented activities should be used as a measure for activities; understanding and fulfilling customer needs are beneficial for future sales; creating customer value; maintaining customer satisfaction; and maintaining strong customer relationships likely to increase future sales (Singh and Koshy, 2010). Singh and Koshy (2010) postulate that these more customer-centric variables should be considered when assessing sales performance, rather than those that are firm-based or based on individual characteristics.

2.2.5.1 Reward systems as factor for sales performance

Another important factor for motivating, directing and retaining a sales organisation are incentive plans (Abratt and Smythe, 1989, John and Weitz, 1989, Menguc and Barker, 2003). Incentive plans are used as a reward mechanism for sales employees, even if the level of application differs widely between organisations and countries. Segalla et al. (2006) described the differences of incentive-based plans between organisations as equity or parity rule. Equity rule implies an individual performance based plan, while parity rule means that commissions are equally spread across the whole team. Their research also found a tendency of the researched sample towards parity rule in order to achieve control and parity (Segalla et al., 2006).

Roberge (2015) has argued that incentive plans have to be in line with the company's strategic plans and its current status of growth. Depending on what the company wants to achieve, the sales incentive plans should support the sales force efforts in the direction of what is beneficial for the organisation. Roberge (2015) has described the example of a start-up that initially has a growth incentive plan, which is focused on rapid customer acquisition, then shifting towards a plan for customer retention and, finally, achieving sustainable growth. Companies realise this according to plans that match the needs of the organisation with clearly measurable targets, based on the key performance indicators that drive the business into the desired direction (Roberge, 2015).

Banker et al. (1996) researched the impact of incentive compensation plans on sales performance, noticing an increase in sales after an incentive plan has been introduced. Nevertheless, outcome-based incentives can also have a negative impact. Schmitz et al. (2014) have identified leadership behaviour to have a moderating effect on monetary incentives. Their research investigated the adoption of a product portfolio and cross-selling performance under the consideration of leadership behaviour and monetary incentives. Transformational leadership has a positive impact on cross-selling within complex environments but its effect is diminished by monetary incentives. On the other hand, the already negative impact of transactional leadership may be made even worse (Schmitz et al., 2014). It should also be noted that Stewart (1996) researched the relationship between rewards and the personality of the rewarded salesperson and that his research has shown that extravert salespeople are more sensitive towards financial rewards than introverts.

2.3 Sales within the context of servitization

The adoption of servitization by manufacturing firms requires the utilisation of effective human resource management practices for sales personnel to ensure the realisation of organisational goals, associated with the understanding that servitization changes the sales function. Specifically, this is associated with how the service is delivered (Kindström et al., 2012) and the fundamental variations between the service and product perspectives on the creation of value in service-dominant firms (Terho et al., 2012). According to Terho et al. (2012), the successful selling of manufacturing services requires an understanding of the business of customers and associated value creation activities. It also requires the proactive explanation of value propositions and the communication of the value potential to customers (Terho et al., 2012).

The transformation towards services is accompanied by consultative or customer-centred selling (Sheth and Sharma, 2008). In a product-centred organisation, the sales personnel are product specialists and selling is largely considered from a transactional perspective (Ulaga and Reinartz, 2011). However, this is not the case in service-dominant organisations.

Here, services are characterised by the development of deeper and lasting relationships with customers in the process of value creation. This requires sales personnel to have specific competencies for performing the sales function. For instance, Sheth and Sharma (2008) suggest that sales personnel have to be facilitators of both a certain level of competency and contacts, instead of being simply salespeople. In other words, sales personnel have to conduct cross-boundary roles that increase the information flows to and from customers and vendors (Piercy and Lane, 2007). This supports the belief that the formation of deeper relationships and offers opportunities for service customisation. Consequently, the skills and competencies that are required of sales personnel in servitised firms are different from those in conventional product-centric sales personnel (Davies et al., 2010). It is suggested that selling a combination of services and products needs a different perspective and varied capabilities (Uлага and Reinartz, 2011). Therefore, particular skills are needed for sales personnel in servitised firms and these have to be taken into consideration during the recruitment, selection and development of sales personnel.

Studies have been conducted to identify the skills that are required of sales personnel in servitised firms. For instance, Uлага and Loveland (2014) have examined the challenges that are associated with the selection and management of the sales force in firms adopting service-led growth. Here, Uлага and Loveland (2014) highlighted the sales proficiencies that are necessary for sales personnel in firms that offer services to their customers. Some of these skills include self-confidence, flexibility and suitable questioning techniques for the analysis of the needs of customers (Uлага and Loveland, 2014).

They also stressed that such sales personnel should be able to act as advisors to customers and have competence in establishing partner-based relationships (Uлага and Loveland, 2014). Moreover, these researchers managed to identify particular personality traits for sales personnel in industrial sales. These included introversion, emotional stability, general intelligence, intrinsic motivation, teamwork orientation, learning orientation and customer service orientation (Uлага and Loveland, 2014). Such personality traits should guide the process of hiring and selecting sales personnel for the successful delivery of manufacturing services.

Baines et al. (2013) have identified the skill sets that are required for employees who deliver advanced services to customers. These included service-centricity, relationship building, flexibility, authenticity, technical adeptness and resilience (Baines et al., 2013). Resilience refers to the employee's capability to deal with the individual stress caused by working at the frontline with customers (Baines et al., 2013). Technical adeptness refers to the employee's understanding of the organisation's operation and sub-systems of equipment and products (Baines et al., 2013). Authenticity refers to the genuine commitment to the

delivery of successful outcomes for customers and service-centricity is characterised by the sales personnel being empathetic to the problems that customers and delivering effective services to help combat them (Baines et al., 2013). Relationship building reflects the employee's ability to develop and sustain relationships with customers and other employees in the organisation. Finally, flexibility is concerned with the ability to modify work routines in compliance with the requirements of the customers (Baines et al., 2013).

According to Baines et al. (2013), the skills outlined above are necessary for facilitating and sustaining positive relationships with customers. Consequently, in selecting and hiring personnel in service-centric firms, human resource managers need to take into consideration these skills in order to have a workforce that can engage in relationship marketing with customers.

In another study, Kindström et al. (2015) have identified the roles of sales personnel in servitised firms as solvers of customers' problems and deliverers of brand value. Kindström et al. (2015) employed a qualitative study with managers from firms pursuing service-growth strategies. In the role of problem-solvers, sales personnel selling services to customers provide them with important information to assist them in solving problems and creating additional value (Kindström et al., 2015). In turn, sales personnel have to be proactive and have an understanding of all the information that is necessary for addressing any concerns that the customers might have about the services that are offered to them by the firm (Kindström et al., 2015).

However, as deliverers of brand value to customers, sales personnel need to have a wider understanding of the firm's value proposition. Kindström et al. (2012) have noted that the addition of services leads to an increase in the intangibility of a firm's performance. Consequently, sales personnel have to devote more effort and attention to providing customers with explanations of the value that is offered by the firm (Kindström et al., 2015, Kindström et al., 2012). Thus, sales personnel have to sell both the brand and the associated value proposition that it represents.

There has also been the suggestion that the creation of front-end organisations with distinctive incentives, job roles, skills, behaviour and attitudes are necessary for the success of servitization in firms (Gotsch et al., 2014). This highlights the necessity of developing talented sales personnel to fill roles in servitised firms. Specifically, front-end sales personnel need have to excellent technical, negotiation, customer service and relationship management skills (Gotsch et al., 2014). These skills can be achieved by providing employees with training when transforming from a product-centred to a service-centric organisation. Furthermore, staff development can be achieved through reward packages that encourage the establishment of lasting relationships with customers where

pay is linked to business and individual goals. The above model encourages solutions-based task performance, cooperation and collaboration across the entire firm (Gebauer et al., 2005). This underscores the necessity of performance measurement and management in an organisation where the performance of sales personnel is linked to the business goals of service delivery to customers. For instance, the personal development review can be used in employee development as it focuses on the performance of the employee, skills and rewards (Baldwin et al., 2014). A personal development review enables managers to evaluate the performance of employees in association with the organisation's business objectives. The aim of a personal development review is to assist employees to work through professional and particular development stages within the wider organisational development policy (Baldwin et al., 2014). Using this approach ensures that the development of sales personnel is fostered in service-centric organisations.

Furthermore, Kindström et al. (2015) have identified the competences that are required of sales personnel in servitised firms. These include customer and vendor focused skills, as well as boundary spanning (Kindström et al., 2015). These competences can be realised by providing the sales personnel with the necessary development. For instance, having a customer focus involves sales personnel having a wider and better understanding of the businesses of customers in terms of value creation in the context of the customer's organisations (Kindström et al., 2015). The development of a customer focus among sales personnel involves providing educational programmes that focus on a value-based perspective to selling (Kindström et al., 2015).

Another competence for sales personnel in servitised firms is boundary spanning, where individuals have the ability to transfer and coordinate the needs of customers, as well as the vendor's services and products in meeting unique customer needs (Kindström et al., 2015). This can be achieved through job rotations where sales personnel perform tasks in strategic business units that are focused on the delivery of services to customers (Lay, 2014). Moreover, it will allow the employees to acquire the necessary skills to perform their tasks. The final competence that sales personnel require is having an internal focus where individuals can consolidate the various efforts that are necessary for the sales process (Kindström et al., 2015). A firm can focus on developing this competence by coaching employees to become leaders of sales teams dedicated to service delivery for customers.

2.4 Statement of the research problem

The objective of this action research project is to identify the factors that might be relevant to an organisation transforming a goods-dominant business into a service-dominant business (or if necessary vice versa) with focus on their sales organisation.

Based on the challenges that are described in the literature on selling products, services and solutions, as well as transformational changes, like servitization, and what is known about change management, the action research project conducted in this study tries to answer specific questions. Research questions stated below are not only relevant for this thesis since there is a gap within literature. They are rather the result of an organisational problem addressed by this action research project. Nevertheless, extant literature about sales performance within the context of servitization does not draw its insights from organisations outside of Industrial manufacturers. It rather considers insights from companies within the same sector. Answering the following research questions under consideration of organisations who still have to servitize their business, but in particular by organisations from the far end who made a similar transformation years ago will provide insights from another angle. The following research questions will thus be approached:

1. What are the key criteria that characterise successful sales organisations or salespeople in hybrid and service-dominant businesses?
2. What differences exist between salespeople's approaches and behaviours between goods-dominant businesses or service-dominant business and how they are managed?
3. How do organisations address changing requirements within their sales organisations and – if any - the tools and methods used for selecting, developing and managing people within their sales organisations?

Research questions 1 and 3 have primarily been addressed by qualitative methods during action research cycle one, while research question 1 is supported by quantitative methods in action research cycle two. Chapter 3.3 outlines how the chosen approach of action research and different research methods have unfolded during the project and how they have been applied to answer the research questions.

2.5 Summary

Both areas of interest - servitization and B2B - are well described topics within the academic literature. Meanwhile, the role of B2B sales within servitisation-driven change has already been researched by several authors. The literature on servitisation has covered most strategic questions about the change process and what is necessary to adopt a service-driven strategy. Being that the literature about sales organisations, sales management or salespeople has a longstanding history in marketing literature, there is probably no predictor of sales performance which has not been discussed yet. The literature covering sales within the context of servitisation has often had an industrial background i.e. they consider necessary change from the starting point of the question:

‘What has to be changed in a goods-dominant business to adopt what is known from the literature about solution or service sales?’

This research has not aimed to identify new factors of sales performance nor to identify a new sales approach for hybrid companies. In the light of the overall purpose of action research projects, this study should create actionable knowledge about predictors of sales performance within the certain context of transforming goods-dominant to hybrid or service-dominant businesses. For this reason, the perspective of hybrid and service-dominating businesses has been taken. Based on samples from another industry, which has already gone through a servitization process, factors of success have been identified. Based on the literature, an application of existing knowledge about factors of sales performance for the special purpose of servitisation-driven change has been conducted within this research.

3 Research methodology and methods

This chapter covers the methodology and research methods used in the process of gathering, analysing and presenting data. Researchers use these methods to achieve research aims and answer the research questions in scope. Research questions are the guidelines of the main research process. This section presents the research approaches and methods used in the study, as well as the justification for the chosen approaches.

While explaining the nature and underlying principles of the various approaches that researchers can use, the content of this chapter addresses the conceptualisation of each and how they can be applied in actual research to fulfil the research objectives. The remainder of this chapter provides an overview of action research, research philosophy, research approach, research model and instruments, research process and data analysis, validity and reliability, and reflection.

3.1 Epistemology and theoretical perspective

3.1.1 Epistemological position

The authors' epistemological position is pragmatism, a philosophical movement that defines the truth of knowledge according to its usefulness. The ultimate test of knowledge generated under a pragmatic philosophy is whether it helps to solve practical problems (Vogt, 2005). As described by Dewey (cited by Ormerod, 2005) within the context of education and politics, pragmatism acknowledges the influence of interventions in the manner in which knowledge is obtained, recognising that knowing is always a result of action (Gert, 2010, Ormerod, 2005). Pragmatism is one of four research philosophies: pragmatism, positivism, realism and interpretivism. These philosophies influence the view of researchers on what constitutes acceptable knowledge (Saunders et al., 2009).

Since the 1970s there have been different 'paradigm struggles' that have continued to gain support from different fractions in the field of research (Hall, 2013). Debates about different paradigms imply a discussion about their epistemology commitments and to which degree researchers have to be reflexive and critical towards their epistemological position. The epistemological position implies a philosophic view on the nature of knowledge and the definition of what characterises acceptable knowledge in the field (Johnson and Duberley, 2000, Thorpe and Holt, 2008). All the paradigms have their strengths and limitations, meaning that the one with which the researcher settles is based on the researcher's background and the nature and needs of the research. Taneja et al. (2011) argue that modern scholars have been involved in paradigm dialogues, which are platforms for supporting or accepting differences between different research paradigms. These dialogues have led to the assumption that no paradigm is superior to another, but each has its best

way of application. Nevertheless, accepting different paradigms still requires a reflexive approach towards 'new' ones (Johnson and Duberley, 2000).

As a methodological philosophy, there are several reasons why pragmatism is ideally suited for a thesis intending at addressing a practical problem and creating actionable knowledge. To obtain a deep understanding of the social issue in scope and support or validate these findings by data resulting from quantitative research, mixed research methods are often used in social research. Mixed methods research refers to the application of methods that generate quantitative and qualitative data. Traditionally, both methods have arisen from different paradigms with contradicting positions in some areas; hence, quantitative methods are closely related to positivism, while qualitative methods are identified with constructivism (Hall, 2013). According to Morgan (2014), pragmatism "can serve as philosophical program for social research, regardless of whether that research uses qualitative, quantitative, or mixed methods" (Morgan, 2014, p. 1045). Moreover, other researchers acknowledge that mixed method research may fit well to philosophical pragmatism (Gert, 2010, Pansiri, 2009).

Pragmatism further acknowledges the context of knowledge and the role of a researcher as part of the knowledge creation process. As Gert (2010) puts it: "knowledge can provide us only with information about possible connections between actions and consequences, not with once-and-for-all truths about a world independent from our lived lives" (Gert, 2010). As an important influence on the development of pragmatism, Dewey (cited by Ormerod, 2005) described the role of inquiry and reflection in relation to beliefs and action as a basis for research, outlining the steps in a process-based approach to knowledge. These steps have been defined as recognising a problematic situation, reflecting on it, developing a plan for action and take action to address the problem (Ormerod, 2005). The steps described by Dewey are very similar to the principles of action research (Morgan, 2014). Following an action research approach where knowledge should be considered within the context where it has been generated, considering the close relationship between the researcher and the subject, as well as the process of how knowledge is generated, a pragmatic philosophical approach best embraces the approach used within this thesis.

Several scholars have outlined the relevance of creating knowledge that fills the demand of scholars and practitioners (Bell et al., 2010, Coghlan, 2001b, Dick and Greenwood, 2015, Reason and Bradbury, 2008). Pragmatism, as a philosophy, follows "a liberal tradition of thought, emphasising the liberation from anything that dictates or constrains an independent inquiry" (Nordgren, 2013, p. 1828) and therefore justifies knowledge by its usefulness to solve practical problems (Vogt, 2005).

3.1.2 Action research

This study has also been conducted under the umbrella of action research philosophies. Action research has a wide variety of different understandings and practices but they all have some themes in common. The key principles of all action research approaches are: i) being problem focused, ii) being context specific, iii) participative (Hope and Waterman, 2003) and iv) supporting the organisational development by facilitating organisational learning (Coughlan and Coughlan, 2002). This study intends to:

- i) Be problem focused: the research addresses the problem improving the services of ABC to create a competitive advantage. In particular, it focuses on the process of selecting employees and generating knowledge, which can be transferred to other organisations by ABC's interim managers.
- ii) Be context specific: research was conducted within the direct business environment of the author of this study, i.e., since he has focused on B2B sales organisation within the IT, telecommunications and media industry, the research is suited to the author's professional context.
- iii) Be participative: this study has integrated insiders and outsiders of the organisation to address the problems outlined and to generate actionable knowledge.
- iv) Support organisational learning: the process of inquiry and its results facilitate the individual learning of the author and organisational learning of ABC.

Action research is not a single methodology; rather, it is an approach that has developed in many facets since its origin in the 1940s. Greenwood (2007) has described an action research approach that has also been applied within this study. Pragmatic action research is characterised as a strategy for research that combines multiple methods. The methods and techniques that are used within a pragmatic action research study are compiled according to the need of the particular context (Greenwood, 2007, Greenwood and Levin, 2007). As a term in pragmatic action research, 'pragmatic' is used in two ways. First, as reference to the philosophical traditions of pragmatism and second, to evoke an association with the colloquially used word 'pragmatic' in terms of practical uses (Greenwood and Levin, 2007).

Pragmatism is a research paradigm within the social sciences. It is characterised by its flexibility in terms of accepting different views of the world. It considers the world as an existential reality and accepts singular and multiple realities (Feilzer, 2010). Pragmatic action research does not define a priori what the liberating outcomes of the research should be (Coughlan and Brydon-Miller, 2014). Pragmatism does not make a distinction between

theory and action as two single phenomena. Instead, theories are considered as instruments in enabling the social construct (Thorpe and Holt, 2008). Coghlan and Brydon-Miller (2014) describe the application of pragmatic action research within an organisational context as:

“Most problems facing organisations or groups that are stuck are quite complex and multidimensional. Quite probably the complexity of most situations exceeds the knowledge capacities of even the best-trained action research facilitators. As a result, such people must be simultaneously confident enough to keep the process moving but humble enough to be honest about what they do not know and about the need to bring in others with the expertise the group have identified as necessary to solve their problems” (Coghlan and Brydon-Miller, 2014).

Pragmatic action research involves researchers and local stakeholders in the same process. It intends to generate knowledge through learning from action within a participative democratic context (Boog, 2003).

3.2 Action research as a method for social sciences research

3.2.1 Introduction to action research

Action research has been around for more than half a century. Many authors describe Kurt Lewin as the father of action research (Coghlan and Coghlan, 2002, Kemmis et al., 2014, Thorpe and Holt, 2008, Williamson and Prosser, 2002), even if his thoughts and ideas were built upon the previous efforts of Jacob L. Moreno (Kemmis et al., 2014). Lewin was initially based in German educational institutions before he fled to the United States. He was always concerned with psychology and his early work was constituted as action research intended to solve the social issues of intergroup relations in American communities (Bargal, 2006). His methodology involved focusing on participative groups and social action to identify the challenges of existing research methodologies. Using these experiences, he aimed to bring changes to the methods that are used within organisations (Bargal, 2006).

In contrast to the prevailing research methodologies of his time, Lewin (1946) remarked that:

“The research needed for social practice can best be characterised as research for social management or social engineering. It is a type of action research, a comparative research on the conditions and effects of various forms of social action, and research leading to social action. Research that produces nothing but books will not suffice.

This by no means implies that the research needed in in any respect less scientific or "lower" than what would be required for pure science in the field of social events. I am inclined to hold the opposite to be true."
(Lewin, 1946 , p. 35)

In his article about "Action Research and Minority Problems", Lewin first mentioned the term "action research" (Bargal, 2006, McKee et al., 2012). In this research, he introduced a new way of comparing the conditions of the research field and relating them to various research challenges, hence introducing a new methodological approach to studying social problems. Over the years, researchers have developed Lewis' idea of action research, coming up with different paradigms used to study social matters and challenging issues as they present themselves within the field of research. After being a method primarily for social issues and educational research, Argyris and Schön (cited by Thorpe and Holt, 2008) have adopted action research as a research method for organisational learning. As such, they have used it in the field of management studies (Thorpe and Holt, 2008).

Action research has become "increasingly prominent among management researchers as an espoused paradigm to justify the validity of a range of research outputs" (Eden and Huxham, 1996, p. 76). Since a variety of different action research characteristics has been developed, Coughlan and Coughlan (2002) have summarised the characteristics of action research as "research in action, rather than research about action; participative; concurrent with action; a sequence of events and an approach to problem-solving" (Coughlan and Coughlan, 2002, p. 222).

Since its rise from the 1970s and its adaption to management sciences in the 1990s (Thorpe and Holt, 2008), action research has been adopted in many contexts involving different disciplines with different characteristics. Amongst others, these include action research, practical action research, emancipatory action research, participatory action research, action learning, action science, industrial action research, action implementation research, collaborative inquiry, contextual action research, action learning and action science (Greenwood and Levin, 2007, Thorpe and Holt, 2008, Willig and Stainton-Rogers, 2008).

All the variations of action research have some common themes. First, action research addresses a real life problem within its social context and it is intended to solve this problem by taking action on it (Coughlan, 2001a, Revans, 1972, Zuber - Skerritt and Perry, 2002). Second, all variations of action research are collaborative and democratic (Revans, 2011, Zuber - Skerritt and Perry, 2002). They involve practitioners who are also interested in addressing the issue and where the researcher is part of the organisation, rather than an independent researcher studying subjects. The third common theme is the cyclical process

of identifying and analysing (or redefining) a problem, planning, acting and evaluating (Revans, 2011, Saunders et al., 2009). The fourth and final common theme is the publication of a report-like thesis to potentially inform other contexts. This ensures that the project has implications beyond the problem approached (Herr and Anderson, 2005, Zuber - Skerritt and Perry, 2002).

In order to define action research informatively, it could be described as learning by doing (Zuber-Skerritt and Fletcher, 2007). This definition is accurate since action research is all about using a group of people to address a certain social research problem and putting measures in place to solve the problem after learning from it through experience. Following this stage, the researcher investigates the impact of the efforts. If there are any inconsistencies or a lack of adequate satisfaction with the implemented solutions, the researcher has the liberty to make changes to the initial plan of action until he or she is satisfied with the eventual solution (Saunders et al., 2009). In between these iterations, the researcher and his peers reflect on the outcome and improvements of the original problem before entering a new cycle (Saunders et al., 2009).

3.2.2 Action research cycles

All action research projects principally follow the same iterative process of analysing, planning, acting and evaluating. Kurt Lewin has described the cyclical process of identifying the initial idea of a problem, investigating this idea, planning, taking action, evaluating and amending the plan before entering a second cycle of action (Lewin, 1948). In further articles about action research or action learning which facilitates a similar approach to individual learning, the cycles are often described as a three or four-step process with changing sub-processes (Coughlan, 2001a, Herr and Anderson, 2005, Mertler, 2014, Zuber - Skerritt and Perry, 2002). Applied action research leads to organisational and individual learning (Coughlan and Coughlan, 2002). Cycles of action research encourage learning, which follows a similar cyclical process. Within his experimental learning theory, Kolb has described the process of learning as a cycle consisting of four modes: concrete experience, reflective observation, abstract generalisation and active experimentation (Coughlan and Coughlan, 2002, Dick, 1993, Savin-Baden and Wimpenny, 2007).

Action research cycles are quite similar to the four-step process of learning. Coughlan and Coughlan (2002) describe the action research cycle as the recurring cycle of plan, act and evaluate. In practice, these steps result in a process of one pre-step of understanding the context and purpose of the problem before entering the cycle of data gathering, data feedback, data analysis, action planning, implementation and evaluation. All of the steps are accompanied by a meta-step of monitoring (Coughlan and Coughlan, 2002). A slightly

different process is put forward by Zuber - Skerritt and Perry (2002), with planning, acting, observing and reflecting.

Many authors have proposed models for the action research process, starting, for example, with the quite simple “look, think, act” of Stringer Calhoun’s cycle of ‘select area, collect data, organise data, analyse and interpret data, take action with considering clarification iterations between the process steps’ (Mertler, 2014). Bachman has proposed a model of gathering information, planning actions, observing and evaluating these actions, and, finally, to reflect on the process and its outcomes before planning a new cycle (Mertler, 2014). Saunders et al. (2009) propose a pre-stage of setting the context and purpose of the problem before entering the cyclical process of diagnosing, planning, taking action and evaluating.

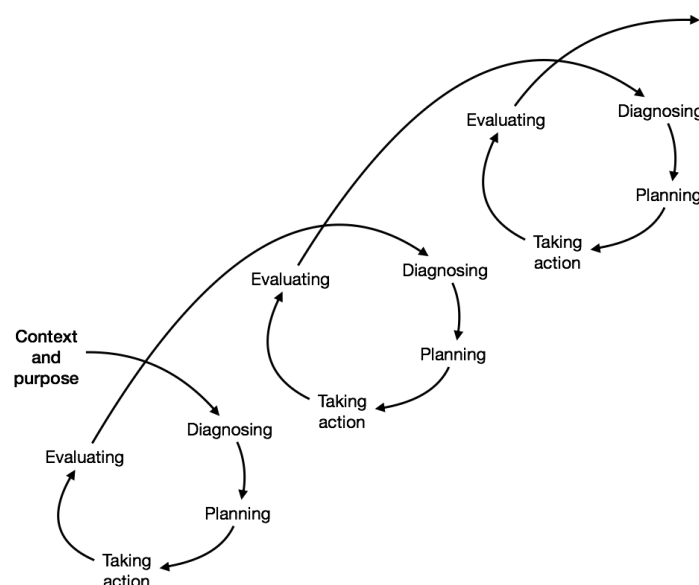


Figure 2 - Action research spiral (Saunders et al., 2009, p. 148)

All action research processes include a cyclical process, with a clear starting point. Being that an action research problem is fuzzy and complex with no solution at the time when the process starts, it cannot be planned when the problem is solved (Saunders et al., 2009). Literature differentiates between problems and puzzles to make it clear that action research is suited to resolve problems (Pedler, 1997). Puzzles are considered as “an embarrassment to which a solution already exists, although it may be hard to find even for the most accomplished of experts” (Pedler, 1997, p. 10). Differently to puzzles, there is no solution available for problems. Problems can be approached in various ways and who addresses the problem depends on whether a certain achieved outcome can be accepted as a solution or not (Pedler, 1997).

Being that there is no existing solution or existing way to approach ‘real’ problems, there is also no endpoint to the project because the solution can undergo constant change. In

normal circumstances, the researcher will design and implement the design, go to the field to collect the necessary data and maintain a continuous assessment of the study's effectiveness. During an action research process, there are various changes to the initial plans of action.

3.2.3 Quantitative and qualitative methods as part of action research

Researchers differentiate between qualitative and quantitative methods for data collecting and analysis data in research projects. The methods used for research depend on the research questions to be answered and the methodologies and traditions where the researcher is anchored. Qualitative and quantitative methods produce different results in regard to reliability and viability of research results. In qualitative research methods, researchers often only investigate a single case due to the significant effort that is necessary for data collection. The typical methods for data collection by qualitative methods are participant observations, unstructured and semi-structured interviews, or focus group discussions (Saunders et al., 2009). Qualitative research investigates the subject within their natural environment and intends to describe their norms and relations. It also describes the experiences that are associated with the research subject (Saunders et al., 2009). This is contrary to quantitative methods, where data are collected by less suggestible and less manipulable instruments like questionnaires.

The researcher in qualitative methods is often the only instrument for data collection and analyses. This also implies the risk of incorporating personal biases and errors (Donmoyer, 2008, Norris, 1997). As mentioned above, research methods in social sciences often follow a certain philosophy or ideology. Researchers rooted within a certain school of thought prefer a certain method for data collection and analysis in order to achieve the results that comply with their ontological and epistemological position. Following an action research approach, instruments for data collection are more flexible. Researchers can then integrate various methods whilst conducting action research and can change the methods as well as the focus of the research during the research process (Mackenzie et al., 2012, McTaggart, 1991).

This flexible integration of research methods might not be applicable within traditional qualitative or quantitative research methods. Mixed methods methodology can be used as an approach to integrate instruments of both worlds. Due to the different view of qualitative and quantitative methods on the generalisability of results, structures, interest in regularities, the use of quantification and causal explanations, some authors argue that using qualitative and quantitative instruments within a single research is not suitable for

research projects and can lead to unforeseeable risks (Allwood, 2011). Another important difference between qualitative and quantitative research methods within an action research project or mixed methods research is the emergence of research questions and the initial research design. Sequential mixed method research would be applied to generate constructs based on qualitative research while quantitative methods would validate them (Hesse-Biber, 2010). This construct is part of the research design, but in action research, the procedure of the research is not defined at the beginning respectively it may change during the course of action (Mackenzie et al., 2012, McTaggart, 1991).

The application of instruments within action research follows the application of the principles of systematic inquiry in an attempt to design and implement research objectives. As such, data collection during an action research inquiry may involve quantitative and qualitative methods. The researcher has to take care that they are clearly integrated into the action research process, being that any data gathering might be an intervention to the systems that are being researched and might influence further research cycles (Coughlan and Coughlan, 2002).

3.2.4 Action research as a type of organisational development

Organisational development is about improving and adopting an organisations' culture, structure and processes in order to be capable of responding to changing market environments. An ideal organisation continuously adapts to these changing environments. If an organisation is not able to adapt constantly to changing environments, then change is often driven externally by external events (Weick and Quinn, 1999). Therefore, it should be of interest to all organisations and their leaders to create organisational structures and cultures that support continuous change.

Action research is one of the methods that can be applied to create a culture of continuous change. Organisational development is one of the core principles of action research methodologies (Revans, 1972). Beside all of the differences, all action research practices are united in aiming to improve a certain social issue and take action on it. Action research aims to bridge the theory-practice gap and create knowledge that is relevant for the further development of individuals and organisations (Coughlan and Shani, 2013). This is done by creating experience from taking action on an issue, since organisational development is the result of learning on an organisational level (Joyce, 2012). Learning occurs both through direct experience and experiences that come from others (Levitt and March, 1988). In order to make these experiences, which are necessary for learning from experiences, it is necessary to take action and reflect on the outcomes of these actions.

Action research or action learning supports organisations in developing the capabilities that are needed to constantly scrutinise their own situation and behaviours, and improve that situation by organisational learning (Coughlan and Coughlan, 2002). Furthermore, it is ideally positioned to act as a facilitator for organisational development. It is not a single intervention to change the status quo but, rather, a continuous and participative learning process (Joyce, 2012, Zuber - Skerritt and Perry, 2002). In modern times, where organisational environments constantly change in an ever increasing speed, it is important for organisations to prepare for constant change rather than performing episodic changes (Weick and Quinn, 1999). Since action research is closely related to taking action on an organisational problem, organisations have to be willing and ready to change. Without being ready to accept the change that is driven by action research or action learning initiatives, the organisation will persist with its status quo (Badger, 2000).

3.2.5 Research conducted by insiders

Following an action research approach; this study is different to traditional research conducted by a researcher who is completely external to the organisation under investigation. For this reason, the advantages and concerns of research conducted by insiders are addressed below.

Herr and Anderson (2005) describe six different positionalities of action researchers within an action research project. There are two extremes: on the one hand, there are insiders researching their own selves/practices and, on the other hand, there are outsiders studying insiders. In both extremes, action research cannot contribute to organisational learning by reflecting on action taken on an organisational issue. In order to enhance organisational development by encouraging individual and organisational learning from action research projects, these contrasting approaches have to be considered within the research design.

Even if the research is primarily conducted on organisations outside of the authors own organisation, consideration of the specifics of (insider) action research remains important. As further outlined below, Coughlan (2007) describes preunderstanding and role duality as two potential sources of conflict. The two not only occur within the formal boundaries of an organisation, but may also occur within a certain community or in research involving organisational stakeholders, such as clients.

3.2.5.1 Insider action research

A researcher conducting action research can take various positions during the research process. The position of the researcher is related to his relationship with the participants of the research, the organisation and the researcher. The exact position of the researcher depends on the research settings and the researcher's role. These are described as being

between the two extremes of insider and outsider, and can gradually shift between the two. However, Herr and Anderson (2005) have described six different main positions, which are presented in Table 1:

Positionality of the Researcher	Contributes to:	Traditions
1. Insider (researcher studies own self / practice)	Knowledge base, improved / critiqued practice, self / professional transformation	Practitioner research, autobiography, narrative research, self-study
2. Insider in collaboration with other insiders	Knowledge base, improved / critiqued practice, professional / organisational transformation	Feminist consciousness raising groups, inquiry / study groups, teams
3. Insider(s) in collaboration with outsiders(s)	Knowledge base, improved / critiqued practice, professional / organisational transformation	Inquiry / study groups
4. Reciprocal collaboration (insider-outsider teams)	Knowledge base, improved / critiqued practice, professional / organisational transformation	Collaborative forms of participatory action research that achieve equitable power relations
5. Outsider(s) in collaboration with insider(s)	Knowledge base, improved / critiqued practice, organisational development / transformation	Mainstream change agency: consultancies, industrial democracy, organisational learning; radical change, community empowerment (Paulo Freire)
6. Outsider(s) studies insider(s)	Knowledge base	University-based, academic research on action research methods or action research projects

Table 1 – Continuum and implications of positionality (Herr and Anderson, 2005)

For research within social sciences and other disciplines, the positioning of the researcher who conducts the research is important. Depending on the ontological and epistemological assumptions underlying the research, the relationship between the researcher and the researched subject differs. In studies that follow a more traditional route, i.e., in regard to positivist positions, in particular, the researcher has to be independent from the researched subject. The researcher has to ensure the objectivity between himself and the researched subject to ensure academic rigour (Johnson and Duberley, 2000). However, the intention of action research is to take action on a social issue or organisational problems within its social context by taking action on it.

Action research methods are further characterised by their collaborative nature and the researcher is usually part of the organisation (Coughlan and Brydon-Miller, 2014, Coughlan and Coughlan, 2002, Zuber - Skerritt and Fletcher, 2007). Thus, an outsider position of the researcher might not be suitable for an action research project. The improvement of systems and enhancement of organisational learning might not be achieved without being an insider of the system. Being an insider of a system brings some difficulties with regard to

the relationship between the researcher and the organisation, as well as to the research outcomes. Coghlan (2006) emphasises the challenges of preunderstanding, of roles and of organisational politics.

Since this study addresses an organisational issue of ABC and the author is part of ABC, the positionality has to be between position 1 and 4. In regard to all of these positions, the researcher investigates an issue within himself or within the organisation/community of which he is a part. The research of the problem in scope is conducted both with insiders from ABC and with stakeholders outside of ABC. For this reason, the positionality is either position 3 or 4. They are differentiated by the degree of collaboration between the insider and the outsiders. If their collaboration goes beyond the normal stage of inquiry groups, entering a stage of collaborative teams with equitable power relations, this stage would be defined as a reciprocal collaboration between insider-outsider teams (Herr and Anderson, 2005). Being that collaboration between insider and outsider teams could not be achieved during the research process, this study has been conducted as an insider-outsider research project according to position 3 of Herr and Anderson's table.

Coghlan (2006) outlines three main issues arising when the managers of an organisation conduct action research within their own organisation. All challenges may affect the ethics or outcomes of the research and are grouped under the headings of preunderstanding, role duality and organisational politics. Preunderstanding is an issue that has had to be considered within this study because the author has worked on a similar level with many of the outsiders who were consulted to get a better understanding of the problem in scope. During the interviews, the risk of influencing interviewees by asking leading questions or stating personal views was managed by using an interview guide and not entering into discussion. The interviews were recorded and transcribed in order to minimise the risk of taking notes based on personal interpretations or bias of the interviewer. The interviews were conducted to get insights from outsiders and were not intended to qualify the existing assumptions of the author. Therefore, it was necessary to make sure that the interview guide did not implicit any direction or assumptions.

The inside action researchers are part of the organisation where the research project is conducted. They are usually within a managerial position, so that their role as a researcher investigating an organisational issue may also have an impact on their position. Even more importantly, the research participants of the organisation may believe that their participation (or non-participation), as well as their input on certain topics has hardly any influence on their position within the organisation. This role duality has to be addressed, even if it does not play an important role within the research in scope. Due to the fact that ABC is a network of independent partners, they are all independent in their decisions and how they

work. Nevertheless, role duality is not limited to a relationship between a manager and his subordinates within the formal boundaries of an organisation. Role duality may also occur in the informal roles of collegueship or friendship (Coughlan, 2007), entailing that it also has to be considered when research involves personal contacts or organisational stakeholders.

The third category of issues, which is managing organisational politics, is very important for the success of this action research project. There is no form of formal leadership within the organisation. Participation and adoption can only be achieved by convincing the partners that research and the results of research are beneficial for their individual business. In addition, different partners have different foci on industries. Thus, the relevance for partners differs according to their focus area of business.

3.3 Overview of design / overview of action research cycles

This study follows an action research approach, which is characterised by a recurring cycle of planning, action and reflection (Coughlan and Coughlan, 2002, Dick, 1993, Zuber - Skerritt and Perry, 2002). The purpose of action research projects is to generate actionable knowledge by taking action on a certain social issue.

The manner in which the action research project progresses throughout the process cannot be designed right at the beginning of the research project (McTaggart, 1991). Action research is an emergent approach insofar as it unfolds its procedures during the recurring cycles and always considers the findings of and reflections on previous action research cycles (Zuber-Skerritt and Perry, 2002). Designing the whole research process would contradict action research philosophy because the latter plans action after evaluating the previous actions. This requires flexibility and responsiveness with regard to the results and changing environment throughout the process (McTaggart, 1991).

In addition, action research cycles may lead to a new understanding of the problem in scope, so resulting in new questions (Mackenzie et al., 2012). Reflection on the thesis writing stage aims to make sure that knowledge is fed back into the research organisation to enhance local knowledge. After reflecting on the results of the inquiry and the local knowledge generated, the knowledge in question could also be useful for other settings that should in turn be outlined. This knowledge is known as public knowledge (Herr and Anderson, 2005).

Figure 3 summarises the whole action research process and how it has developed over time. Details for each of the steps progress are presented below.

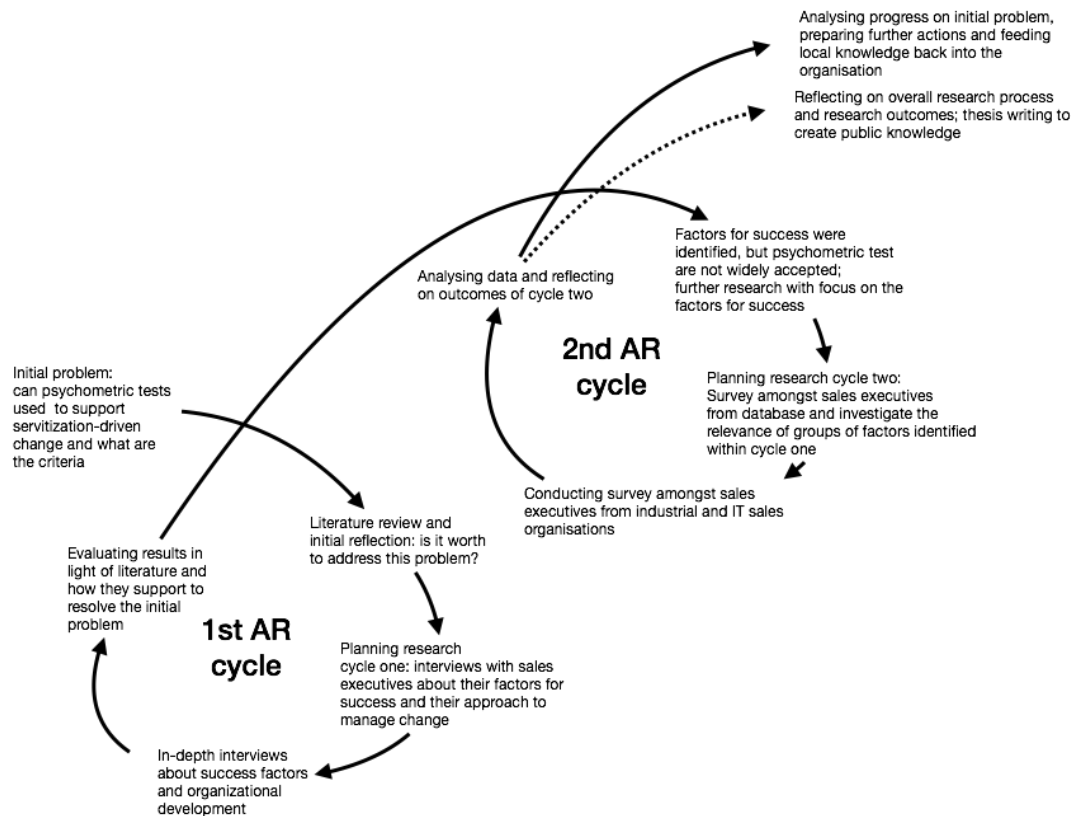


Figure 3 – Overview action research project

3.3.1 Initial problem identification

The initial problem that was selected can be taken as twofold. On the one hand, the intention was to address the issue of creating a competitive advantage for an important target segment of ABC. This segment has been affected by changes resulting from servitization and the evolution towards 'Industry 4.0'. As outlined earlier, this implies significant organisational changes, while this research focuses on sales organisations. On the other hand, ABC has included psychometric testing in their process of selecting and developing their clients' employees. The initial problem to be approached concerned the question of how organisations address changing requirements within their sales organisation and which tools are used to support this process, i.e. by either developing existing employees or by hiring new employees with another set of skills and experience. It should also be investigated whether the psychometric tests offered by ABC can be positioned as a tool supporting this process. For this reason, taking action on the problem should not only be about delivering an answer about the process of managing change, it should also deliver insights on the criteria that make successful sales organisations in respect to the conduct of salespeople and whether they can be measured and developed by means of psychometric testing.

3.3.2 Literature review and initial reflection

After having defined the initial problem, it was determined whether the problem is relevant for the organisation or the wider sales management community. For this reason, reflection sessions with peers from ABC and the author's broader industry network have taken place in order to get an idea of the relevance of the problem. This phase further includes a literature review of the existing literature. The research literature has already demonstrated that the sale of products appears to differ from selling services and sales organisations within a servitization-driven change process, where they have to adopt the selling capabilities of service organisations. It has also indicated that sales performance can be related to personality. As such, the literature maintains that investigating the applicability of psychometric tests is justified. Research questions that were defined for this stage of the process have been set out in chapter 2.4.

3.3.3 Planning action research cycle one

Based on the understanding of both the problem and the literature review, the first action research cycle was planned and designed. In order to obtain a thorough understanding of the criteria that make sales organisations and salespeople successful (addressing research question 1), an appropriate method to determine how organisations address the need for change within sales organisations (addressing research question 3) had to be found. In-depth interviews with senior executives of sales organisation and peers from the author's organisation were identified as an appropriate method. Since the literature on servitization indicates that product-centric sales organisations have to adopt sales capabilities from hybrid and service sales organisations, the interviews were primarily conducted within hybrid and service-dominant sales organisations. Individual in-depth interviews were selected to achieve best possible data out of the interviews. Since some of the interviewees are working within the same industry and compete against each other, other forms of qualitative data collection like focus groups would not be suitable to achieve openness and honesty, in particular for company and industry insights or weaknesses. In this case, it was more important to explore the views and experiences of individual interviewees rather than to benefit from group dynamics potentially arising from focus groups. Due to the research aim to get insights and a deeper understanding of the organisational issues, the views and experiences of participants, other qualitative data collection methods were not suitable.

3.3.4 Conducting action research cycle one

Interviews with a series of partners at ABC as well as sales executives from the author's industry network have been conducted. These interviews aimed to reach a better understanding of both parts of the problem, i.e., the procedural problem of how salespeople are selected and developed and the functional problem of what makes hybrid

and service-dominant sales organisations successful. Chapter 0 describes the methods applied within cycle one of this action research project, including sampling, the interview process and data analysis.

3.3.5 Reflections on action research cycle one

The interviews conducted in cycle one support the conclusions of the literature that sales organisations are very context-sensitive and that there are many factors influencing their success and performance beyond personality traits capable of being measured by psychometric testing. They further disclosed that sales organisations tend to avoid facilitating change by changing their salespeople; instead; they tend to develop existing employees for several reasons.

According to the principles of action research, the results of action research cycle one were considered within the context of the problem addressed. This was done in collaboration with colleagues both from ABCs network and the author's professional network within the B2B sales community. It should be noted that, due to the organisational constraints of the author's position within a network of independent partners, a fixed learning set with regular meetings could not be established. Instead, reflection took place during meetings and discussions, individually initiated by the author, on the subject of how to interpret the results, how they support the organisational challenges and whether the results are useful for ABC to create a competitive advantage.

As outlined within the results section of chapter 4.2, psychometric tests based on personality traits are not used extensively to support change initiatives and this has had implications on further research interventions. As a single, stand-alone criterion, personality traits are of less relevance to managers within sales organisations, while psychometric tests are not widely accepted by sales executives. For this reason, the type of research that was initially intended - i.e., creating a blueprint of personality traits for organisations with product, hybrid or service background - should not be pursued further. It was hence recognised that approaching the initial problem by focusing on a process which are not widely accepted would not create the practical impact desired.

Action research cycle one has already delivered valuable insights into the process of how organisations address the need for change within sales organisations (research question 3) and what criteria make sales organisations and salespeople successful (research question 1). Being that the interviews were conducted primarily in hybrid and service-dominated businesses, action research cycle two had to focus on differences between goods-dominant and service-dominant business organisations (research question 2).

3.3.6 Planning action research cycle two

In view of the journey towards acquiring a better understanding of the problem in scope and taking action on it, the second action research cycle was planned in consideration of the overall research objectives.

Considering the research questions set out in chapter 2.4, action research cycle two should provide further insights into key criteria for successful sales organisations and salespeople (research question 1). However, it should focus in particular on identifying any differences between sales approaches and sales management in goods-dominant or service-dominant businesses (research question 2). In consideration of the existing literature and the insights gained from action research cycle one, the following main themes from cycle one are further investigated in action research cycle two:

- Explore whether the relevance of technical knowledge differs between goods-dominant sales organisations and service-dominant sales organisations.
- Examine the difference in the relevance of customer knowledge and the need to create customer-tailored solutions.
- Elicit, if it is less important for goods-dominant sales organisations to adjust sales approaches on an account-based level and in consideration of specific project situations compared to service-dominant sales organisations.
- Uncover the implication of internal networking and the need to collaborate with colleagues in order to be successful in sales.
- Explore whether or not there are any differences between sales control systems, with a focus on reward systems as a factor for employee motivation

These objectives have been established in the light of the overall research questions they support. All of the considered items were mentioned within the in-depth interviews in action research cycle one.

As part of action research cycle two, a survey has been used to collect data and statistical measurements were applied to analyse them. The intention behind selecting this method was to generate an indication about which factors identified by the previous literature and by the interviews used for this study were different for the goods-dominant, hybrid and service organisations.

In order to take advantage of scales that had already been developed and tested, a further literature review was conducted to identify the scales that can be used to investigate the

identified themes. These scales were identified in the studies of Piercy et al. (1998) and have been used for the survey.

3.3.7 Conducting action research cycle two

Based on the scales identified as those targeted at sales management candidates from ABC's database, an electronic survey was conducted to obtain a deeper understanding of sales organisations. Details about the survey are hence described in chapter 3.6, i.e. sampling, data collection, measurements and analysis.

3.3.8 Reflections on action research cycle two

The results and a discussion of the results are presented in chapter 4, while a reflection of the complete action research process is presented in 5.3. Therefore, this section only covers a short reflection on cycle two. The second cycle of action research has delivered further insights and has also raised new questions about the issue of this study. Some of the hypotheses were in line with the existing literature and findings from the interviews, but some were different. In terms of the chosen method, it was a suitable approach to apply an electronic survey for data collection. Utilising a survey has delivered an important indication and also some significant findings about how the main themes identified in cycle one are considered differently between sales executives from industrial and IT sales organisations.

By applying statistical methods to the problem in scope, this study went beyond the traditional purpose of action research projects. Moreover, by conducting quantitative research, the action research project has generated context-specific findings and contributed to the current view on sales organisations within the context of servitization. The contributions generated within cycle two are relevant to this thesis. Furthermore, it is also important to get an indication of the results that are of particular importance for ABC's clients, as well as other industries and within other contexts.

3.4 Action Learning Set

Action learning sets are normally used to address an organisational problem and to support change initiatives (Joyce, 2012). These action learning sets bring people into a common learning environment to work on intractable problems where set members are personally engaged, to explore alternatives to take action on the problem and to take these action in order to change the situation (Pedler, 1997).

Within the context of this action research project, a fixed learning set with constant members could not be established due to the setup of the organisation and projects which are in a constant state of flux. Nevertheless, the author has utilised the methods and procedures of learning sets within a less formal set environment where all targets of

learning sets could be achieved. Learning sets should encourage thinking and learning by asking insightful questions and the contribution of interdisciplinary peers, but also expert advice in order to develop new questioning and new insights (Revans, 2011). This action research project has encouraged questioning, thinking, reflection and learning on all the plans and actions taken to approach the problem with members of the organisation and the author's broader industry network. This approach has ensured reflection and to take multiple perspectives on the actions and outcomes. In order to achieve the above, numerous informal set meetings in either small groups of 2-4 people or as one-to-one conversations have been arranged on a regular basis in accordance with project progress.

Initially, members of the organisation were consulted to assess the relevance of the problem within their context. Furthermore, two professors of sales and marketing and various B2B sales directors / managers from the author's industry network have been consulted to assess the relevance of the problem and to get a broader view onto the topic. During the action research project and in particular after phase one, members of the organisation and the industry network (academics and professionals) were asked to discuss, reflect and scrutinise the outcomes of the qualitative part of the research (please refer to chapter 3.3.3 to 3.3.5 for further details).

The main area of discussion and reflection on cycle one has been the question of whether the action research project should continue by focusing on personality traits, an important factor for the organisations' competitive advantage, or whether it should focus on a different approach which might create more relevance for sales organisations in general and which is more relevant to resolving the underlying problem of performance in servitizing sales organisations. These approaches would only be indirectly relevant to the organisation's competitive advantage and the initial problem in scope, but learning set members from the industry network has raised important thoughts and insights about the relevance and the author's position within this context. In particular this part of the reflection process has shown that even informal learning sets may include controversial discussions about the participants' views, which was very important for deciding on further action research activities.

Moreover, the interviews could be considered as a certain type of learning sets, since there is no big difference between an interview between a researcher and an interviewee and a small learning set interaction with external members, except the position of the researcher and his role within the process. Even closer to an action learning set would be a focus group interview, but this did not make sense in this case. Due to the position of externals, there would not be an open discussion about their situation and their views on the organisation's problems and issues. Most of interviewees work in the same industry and are

competitors, meaning that openness within an interview has proved more important than critical questioning of other set participants. Compared to a learning set, the approach to conduct an interview and analysing them based on academic standards intended at increasing the value of public knowledge gained from this action research project.

Similar to the initial plan, the reflection on results from the first action research cycle and the plans for the second cycle, along with the results of the second action research cycles, as well as the overall results, have been discussed with the personal network consisting of partners from the same organisations, academics and the sales management network. Reflection on the final results has been primarily a discussion about the 'what next' based on research results. Again, these reflection sessions have taken place within small groups or one-to-one sessions, depending on availability and location of participants.

3.5 Qualitative research method applied in action research cycle one

Qualitative research follows a generic research process of formulating research design, negotiating access and addressing ethical issues, followed by data collection and analysing these data (Saunders et al., 2009). The qualitative part of this action research thesis has been conducted by means of interviews - a very popular method in organisation studies aiming at "to obtain knowledge about the respondent's world" (Thorpe and Holt, 2008, p. 118). The interviews provide rich insights in being conducted either as one or a mixture of structured interview, semi-structured interview, unstructured interview or focused interview (May, 2011). Qualitative data is usually analysed by transcribing the data, categorising them according to types of concept-driven or data-driven categories and with the intention of creating units of data as the rearrangement of pieces of data in relation to the research questions (Saunders et al., 2009). The following section describes how interviews were conducted.

3.5.1 Participants of interviews / sampling

As a central part of this action research study, interviews should deliver insights into sales organisations, how they define success and what makes them successful. All of the participants were selected and contacted from the author's personal network within the industry. Purposive sampling is non-random and so selected to address the research questions properly by either identifying the most extreme cases or by representing the diversity or sameness of interviewees (Hesse-Biber, 2010). Saunders et al. (2009) suggest conducting between 4 and 12 in-depth interviews to reach a sufficient understanding of a certain topic, provided that the population is homogeneous. Even if the size of the sales organisations differ, the background with target segments, offerings, experience of the

sales executive are very similar, so that responses about their success factors do not differ completely.

All the interviewees have a background in information technology, telecommunications or media. The size of the sales organisations differs from a small single-digit number of sales employees up to sales organisations with more than 500 employees. However, more important for the purpose of this research are the interviewees experiences and their role within the sales organisation.

Participants have primarily been selected from IT or telecommunication providers. This set of participants has been selected since their organisations have already gone through a servitization-like transformation or are in-between such a transformation. In the past, most of the IT and telecommunication business has been about hardware - i.e. physical products like servers, routers and PBX -to build an IT infrastructure owned by a single customer. After amending these physical goods by services like maintenance or financial leasing contracts, the market environment has changed in recent years. IT service providers have differentiated themselves by creating individual customer solutions and highly customised outsourcing contracts consisting out of products and services. A development which has already taken place within the IT industry, which is described in the servitization literature as potential service infusion trajectory (Matthyssens and Vandenbempt, 2010). Another important market change in IT and telecommunications is a strong tendency towards usage- and performance-based contracts for telecommunication services and IT infrastructure. These Product-Service Systems (Baines et al., 2007) include a shared infrastructure and performance parameters delivered by service providers rather than hardware, which is bought by customers. Typical examples which have shaped the IT industry in recent years are cloud computing infrastructure and voice-over-IP services for communication.

#	Organisation / Industry	Background of the Organisation	Products	Interviewee's Position
1	IT and telecommunications service provider	One of the largest IT and telecommunications providers in Germany, primarily offering services in shifting the organisation form.	Hybrid	VP Solution Sales
2	IT provider for managed datacentres and networking services	A company that offers networking services and basic datacentres as managed services ("cloud services").	Services	Director, Sales
3	IT hardware manufacturer	A company that offers hardware (server) with long-term maintenance contracts	Goods, developing to hybrid	Director, Sales
4	Provider for cable television / multimedia services	A cable network operator that offers in-house wiring upgrades for real estate companies and long term television contracts for residential areas (no single contracting with consumers).	Services	Director, Sales B2B
5	Media company	A company providing media services.	Services	Director, Sales and Marketing
6	Telecommunication and engineering services provider	A company that offers industrial engineering (primarily electrical engineering) and telecommunication products for aircrafts	Hybrid	Director, Sales
7	Networking equipment manufacturer	A large sales organisation that sells hardware and associated services	Hybrid	Head of Service Sales
8	Interim Management Provider	A peer of the author within ABC	Services	Managing Partner
9	Interim Management Provider	A peer of the author within ABC	Services	Managing Partner

Table 2 – Background of the interview participants

In total, nine interviews were conducted, seven of which were with senior sales executives and two with partners from within the author's organisation. All the participants were chosen due to their long-standing experience within their area of expertise and within B2B sales organisations. Another criterion for selecting participants – in particular for participants 8 and 9 - was their experience in selecting and developing employees for sales organisations. Participants 8 and 9 were further selected to get a different view on the usage of methods, tools and the role of psychometric testing methods in supporting change initiatives and employee development.

It was not differentiated between the participants in regard to their background of organisation, i.e. if they are a hybrid organisation or a pure service provider. Both types of organisations within this closely related industries are very similar and differences between organisations are marginal. For example, companies 1, 2 and 3 address exactly the same market with similar go-to-market approaches, targeting the same customer need. The main difference is that company 2 has already shifted their business model to a per-performance / -usage model, while company 3 offers the infrastructure if the customer wants to own it and company 1 offers both options. In addition to the above, even company 3, which is classified as a manufacturer, cannot be compared with those (industrial)

manufacturers which are usually considered within the servitization literature. Many of the companies serving as manufacturers in the tech industry do not have a longstanding tradition like Industrial companies have and many of them do not even have own production facilities. They consider their selves rather as a company which develops and sells the products, but production is often outsourced to contractors. If the servitization development between goods and services is considered uniquely for IT and tech companies, then these manufacturers are at the lower end to goods. If it is considered comparatively under consideration of traditional Industrial manufacturers, then even the goods manufacturers will probably be on a higher level of servitization and not comparable to industrial manufacturers.

Both areas of expertise, i.e. sales management and change management / recruiting, have been important in gaining valuable insights to answer the research questions.

An example invitation e-mail (Appendix A: Example invitation), the research information sheet (Appendix B: Research information sheet) and consent form (Appendix C: Consent form) which were submitted to participant prior to the interviews are shown as appendix.

3.5.2 Interview process

A series of interviews was planned to approach the topic. The interviews were semi-structured while an interview guide was developed to keep the focus on important questions. The interview guide is shown as appendix (Appendix D: Interview guide).

In total, nine interviews were conducted, of which seven were with senior sales managers and two with partners from ABC. Interviews with former contacts should deliver insights into the status quo of their sales organisations, while other interviews have been intended to understand the process of selecting and developing employees.

Interviews have started with a brief introduction to the topic by the interviewer, followed by interviewees introducing their organisations and product/service offerings. A special focus was on the structure of their sales organisations and the essence of their go-to-market strategy in regard to customer or territory planning. Semi-structured interviews were used to get a deep understanding of the following: interviewees' sales processes; what makes them successful on an organisational and individual level; and how they select and develop employees.

3.5.3 Qualitative data analysis

All interviews, except the one where technical issues occurred, were recorded with prior consent of all the participants. The interviews lasted between 39 and 51 minutes and were recorded and then transcribed and analysed using NVivo 10. The transcripts were loaded

into NVivo, coded and grouped into the main topics presented in chapter 0. Codes are the link between several passages of the same ideas within recorded data (Gibbs, 2007). Its purpose is to analyse the data “according to commonalities, relationships and differences across a data set” (Gibson and Brown, 2011, p. 2). Data was analysed using a deductive approach; these typically use a predefined structure to analyse and group responses. Contrary to the deductive approach would be an inductive one, where structure is derived from the findings (Saunders et al., 2009). Deductive approaches can be used if the researcher already has an idea of how the findings will be grouped. Based on the researcher’s preunderstanding and the literature reviewed before the interviews have been conducted, the analysis was conducted deductively. To a certain degree, the themes used within this thematic analysis (Gibson and Brown, 2011) have been already determined by creating the interview guide by investigating certain areas of the topic in scope. Nevertheless, the researcher has considered those responses that do not fit into his deductive structure, which were then coded in new groups. By choosing this proceeding, it could be ensured that the data analysis was not biased by presumptions (Gibbs, 2007). In order to make sure that everything belonging to a certain theme was sufficiently considered, the process was repeated. Gibson and Brown (2011) recommend a repetitive proceeding to make sure that all relevant data of a certain code are considered, even if new codes do arise later within the analysis.

Transcribed data have been loaded into Nvivo 10 and the initial template of codes has been applied to identify any data relating to these codes. Main themes identified in preparation of the template or during the interviews have been acted as a guide for further quantitative analysis. Structure of sub-chapters in chapter 4 represent the main themes identified during data analysis.

3.6 Quantitative research method applied in action research cycle two

The research process does not traditionally start with collecting and analysing data. It is instead necessary to define the research problem, to review the literature, formulate hypotheses, and to design the research and the sample before collecting data and analysing it (Kothari, 2004). Hence, important factors to consider in executing the research are the sample and the method as well as how data is to be analysed (Balnaves and Caputi, 2001).

3.6.1 Sampling

To achieve the objectives of this part of the research, an electronic survey was conducted.

The survey participants were selected and invited (Appendix E: Survey invitation) from ABC’s database of sales management candidates. This database includes candidates

registered as interim managers and for permanent senior sales management positions. Adequate sampling is required to make sure that the sample represents the whole population, while also considering budgetary constraints (Kothari, 2004). For budget and timing reasons, the survey had to be conducted by means of an electronic survey. Electronic surveys do entail some sample limitations like preventing random sampling or nonresponse rate tracking, but they cannot be generalised to an offline population (Dorine et al., 2003). Non-random, voluntary sampling is an appropriate types of sampling (Couper, 2000). With self-selection sampling (Saunders et al., 2009), the researcher reaches the population by advertising or invitation to invite them to participate and then collects the data from all responding individuals. Typically, only respondents who are interested in the research questions or objectives tend to respond (Saunders et al., 2009).

Participants for the quantitative part of this action research project were identified by using self-selection sampling (Saunders et al., 2009) from the whole population of ABC's database. The selection criteria for inviting the candidates to participate in the survey were their positions and locations. All of the candidates from Germany and the United Kingdom had registered positions as sales managers, sales directors, the vice presidents of sales or equivalent descriptions.

Invitations were sent to 11,437 respondents in the form of newsletters in German and English. The invitations targeted the whole database population, matching the selection criteria as described above. A total of 198 (interim) sales managers (1.73%) accessed the survey tool and confirmed their consent to participate in the study. Not all of the participants who acknowledged their consent answered all the questions. Thus, only the respondents who answered at least 13 out of 16 of the items were considered. Out of the 198 initial participants, 118 (1.03% of total population) answered at least 13 out of 16 items. This led to a response quote with usable questionnaires of 60%.

As shown in Table 3, most of the participants had a background in industrial / manufacturing organisations (29.7%) and IT/telecommunications/technology (23.7%), followed by retail/distribution (11.0 %). Since the potential candidates were selected from ABC's database without limiting the industries, it seems that the topic generated most interest in industries currently facing this issue and/or industries with similar developments.

Industry	N	%
Industrial / Manufacturing	35	29.7
IT / Telecommunications / Technology	28	23.7
Retail / Distribution	13	11.0
Health / Medical / Research	8	6.8
Professional Services	8	6.8
Media / Marketing / Entertainment / Advertising	6	5.1
Natural Resources / Utilities	6	5.1
Building / Construction	4	3.4
Business Support Services	4	3.4
Other	6	5.1
TOTAL	118	100.0

Table 3 – Industry background of the respondents

The intention of the survey was to get results from a mixture of respondents with regard to the background of the organisation. As such, the respondents were asked to classify their type of organisation with regard to their level of servitization. The majority of respondents (63.6%) had a background in goods-dominant businesses. About a quarter of the respondents (26.3%) had a background in service-dominant businesses.

In line with expectations, participants with a background in industrial or manufacturing considered themselves predominantly as goods-dominant, while participants with background in IT/telecommunications saw themselves as service-dominant. The responses from participants with background in these industries have therefore been selected for further data analysis. Responses from those with a background in industrial/manufacturing sales organisations represent more goods-dominant businesses, alongside responses from those with IT/ telecommunications media backgrounds representing service-dominant businesses. For reasons of simplification, the industrial and manufacturing category are abbreviated to 'Industrial', while IT / telecommunication / media are abbreviated to 'IT'.

Most of the respondents had more than 10 years of experience in sales management positions (n: 97, 82.2%), while another 11.0% (n: 13) stated that they had between five and 10 years of experience. The remaining 6.7% (n: 8) of respondents stated that they had less than five years of experience, of which three participants (2.5% of all respondents) said they had less than three years of experience.

With regard to the size of the sales organisations, the respondents were asked to indicate the size of their organisation in relation to the amount of salespeople working in their organisations. The results are shown in Table 4.

Size of Sales Organisation (Salespeople)	n	%
Less than 10 salespeople	27	22.9
10 to 25 salespeople	29	24.6
25 to 75 salespeople	21	17.8
75 to 150 salespeople	11	9.3
More than 150 salespeople	30	25.4
TOTAL	118	100.0

Table 4 – Size of the sales organizations

The statistical methods following the survey are suitable to identify the causal relationship between dependent (type of organisation) and independent variables (technical and knowledge, adaptive selling, team sales and internal networking, customer knowledge and solutions) and to generate generalisable and objective results (Swanson and Holton, 2005).

Means of the two independent groups (type of organisation, i.e. Industrial or IT) for each category of independent variables are compared by a Mann-Whitney-U test, a non-parametric test suitable to compare two groups with not normally distributed data (Dancey, 2011). Normality of data is assessed by a Shapiro-Wilk test (Lund Research, 2013). Further information about the analysis of quantitative data are outlined in 3.6.4.

3.6.2 Data collection

The data was collected by means of an electronic survey tool. An electronic survey is easily accessible, in particular for an organisation where the respondents have been selected from an international database of freelance interim managers and candidates.

Despite the impossibility of predicting the response rate, according to Lewis et al. (2009), web survey-based collected responses are at least as reliable, internally valid and of an equal quality as data that are gathered via paper-and-pencil surveys. They obtain the same or a higher rate response, given the large number of internet users as potential respondents (Hoonakker and Carayon, 2009). Not only do they provide a visual perception, which diminishes the normative bias, but they also tackle a more diverse distribution of gender and participants' demographics (Lewis et al., 2009, Marczyk et al., 2005).

A tool provided by the University of Liverpool was used to conduct the study (survey.liv.ac.uk). A screenshot of the questionnaire within the online tool is provided as appendix (Appendix G: Electronic survey). Some issues arose from using the survey tool, being that they do not offer a responsive resolution of the questionnaire, i.e., participants who have accessed the provided link by a mobile device were not able to respond to the questionnaire in a comfortable way. Additionally, some technical issues occurred.

There were no incentives for the respondents, although they were given a summary of the research findings for their own purposes. This will be generated in collaboration with ABC and used as a tool to enhance knowledge within the organisation and for its stakeholders.

3.6.3 Measurements

The items and scales used for the survey were adopted from previously tested and published research (please refer to Appendix H: Survey items). All of the items concerned the relevance of a certain topic, differentiated by independent variables as the type of organisation in regard to servitization. Sales managers assessed how well the salespeople in their unit were performing with regard to a certain topic. For hypotheses H_1 to H_{13} , respondents were requested to answer the question: "How well are the salespeople in your organisation performing?", followed by the items about technological and product knowledge, adaptive selling strategies, internal networking and customer knowledge and its impact on offering design. A seven-point Likert-type ordinal scale was used, ranging from 1 = needs improvement to 7 = outstanding.

Hypotheses H_{14} to H_{16} have been tested by a ten-point Likert-type scale ranging from 1 = not at all to 10 = to a great extent. Respondents were asked to rate their sales management practice in regard to reward systems and the extent to which they apply the items included in each hypothesis.

The scales used to test the hypotheses were taken from previously published research (Behrman and Perreault, 1982, Cravens et al., 1993, Piercy et al., 1998, Spiro and Weitz, 1990). Piercy et al. (1998) has taken the items developed by (Behrman and Perreault, 1982, Cravens et al., 1993, Piercy et al., 1998, Spiro and Weitz, 1990) and grouped them to certain categories to measure salespeople's performance in relation to behaviour-based or outcome-based control. The current research has only analysed 5 out of 13 categories of their research. These categories were chosen based on the main themes resulting from action research cycle one respectively as they were defined as nodes in qualitative data analysis. The items picked for the quantitative research part were also chosen based on the criteria mentioned as success factors during qualitative interviews. How the qualitative results and the tested items correlate is shown in the results section.

Nevertheless, even if not all of the items of the research by Piercy et al. (1998) were included, the questionnaire in the survey included more items than was needed for testing the hypotheses. ABC will use these items for further inquiries and research. All of the items that are relevant for this study are shown in Table 5.

Items	
Technical Knowledge	How well are the salespeople in your unit performing in regard to knowing the design and specification of the company products / services?
	How well are the salespeople in your unit performing in regard to knowing the application and function of the company products / services?
	How well are the salespeople in your unit performing in regard to keeping abreast of your company's production and technological developments?
Sales Presentation	How well are the salespeople in your unit performing in regard to listening attentively to identify and understand the real concerns of customers?
	How well are the salespeople in your unit performing in regard to working out solutions to a customer's questions and objections?
	How well are the salespeople in your unit performing in regard to convincing customers that they understand their unique problems and concerns?
Adaptive Selling	How well are the salespeople in your unit performing in regard to adapting selling approaches from one customer to another?
	How well are the salespeople in your unit performing in regard to varying sales styles from situation to situation?
	How well are the salespeople in your unit performing in regard to being flexible in the selling approaches used?
	How well are the salespeople in your unit performing in regard to experimenting with different sales approaches?
Teamwork	How well are the salespeople in your unit performing in regard to generating considerable sales volume from team sales (sales made jointly by two or more salespeople)?
	How well are the salespeople in your unit performing in regard to building strong working relationships with other people in your company?
	How well are the salespeople in your unit performing in regard to working very closely with non-sales employees to close sales?
Sales Management Control Systems: Rewarding	To what extent do you use incentive compensation as a major means for motivating salespeople?
	To what extent do you make incentive compensation judgements based on the sales results achieved by salespeople?
	To what extent do you reward salespeople based on their sales results?

Table 5 – Items on the questionnaire

The unit of analysis was the sales organisation for which the respondents are responsible. For this reason, they had to average the salespeople in their units to assess the performance of their salespeople, while the actual performance differed between the salespeople.

3.6.4 Quantitative data analysis

To compare the means of two independent groups, a two-sample t-test or a Mann-Whitney-U can be used. Both tests are similar and determine whether a sample belongs to the same population. They are different in their assumption about equal variances or the normality of data (Elliott and Woodward, 2007). A Mann-Whitney-U test should be applied if data is not normally distributed (Dancey, 2011).

To assess the normality of data, and therefore whether a t-test or a Mann-Whitney test should be used, a Shapiro-Wilk test was performed. Shapiro-Wilk is appropriate for sample sizes <50 and delivers a sig. value, where data is normal if the sig. value is greater than 0.05 (Lund Research, 2013). For all the hypotheses tested, the Shapiro-Wilk test did not show a significance value greater than 0.05 for both groups, so that hypotheses having normally distributed data were rejected at a significance level of 0.05 and a non-parametric test will be applied. All test results for the Shapiro-Wilk test are shown as appendix (Appendix I: Test of normality).

The Mann-Whitney-U test is a non-parametric test which does not rely on normally distribution of data; it rather “preserves the Type I error rate (i.e. false positive error) to nominal alpha regardless of the population shape” (Sawilowsky, 2007, p. 4). It belongs to the most powerful non-parametric tests (Lewis-Beck et al., 2004), ranking the order of data instead of raw data values of two independent samples (Elliott and Woodward, 2007). Elliott and Woodward (2007) describe the typical settings where the Mann-Whitney test is appropriate: for example, small sample sizes and questionable normality of data; data containing outliers or extreme values; and ordinal data (Elliott and Woodward, 2007). Sample sizes larger than 25 for each group were considered as large sample for this test (Lewis-Beck et al., 2004).

Since the sample size for the hypotheses tested within this study are between 24 and 33 in each group and, according to the Shapiro-Wilk test, normality of data is not given, the Mann-Whitney U test is an appropriate test for the purpose of this study.

3.7 Validity and trustworthiness

Validity and trustworthiness are terms that are traditionally used to describe the methods and instruments applied within a research process. They are used to describe the reliability, their precision and their accuracy and are inevitable parts of research that follow positivist traditions. Without achieving a high level of reliability and validity, research results do not meet the standard of high academic rigour (Donmoyer, 2008, Johnson and Duberley, 2000).

As already outlined, action research does not intend to achieve the standards that are set by positivist traditions. Even if many academics and academic journals still prefer “rigorous” research results, the philosophies and methods that are beyond action research are not able to meet these standards. Since the researcher is usually part of the researched subject and the results are highly contextualised, action research has to find another way to prove its results are valid and trustworthy. Lincoln (1985) and Lincoln and Guba (1985), cited by Melrose (2001), refer to credibility, transferability, dependability and confirmability as criteria to assess the trustworthiness of research that is conducted under the umbrella of action

research. Other criteria for assessing the quality of action research projects are how “realistic, regular, scrupulous, constant, credible, dependable, confirmable, defensible, honest, ethical, transferable, valuable to the broader community, and resulting in practical change and improvement” (Melrose, 2001, p. 178). Since action research is not a single methodology, it underlies different philosophies and ideologies and there are ongoing debates about its rigour in relation to more traditional research methods. There is also no unique guide to achieve validity and trustworthiness. Credibility and transferability are amongst the criteria for trustworthiness, which will apply to most action research projects (Melrose, 2001).

Credibility aims to achieve confidence and trust for the results that are generated. This trust can be best achieved by processes and arguments for the research and its results. Internal credibility is about the credibility for the group that has conducted the research (Melrose, 2001). Meanwhile, external credibility is to convince the people that are external to the group that results are “believable, meaningful, and useful or even that the results challenge established knowledge in the field” (Melrose, 2001, p. 173).

In action research, researchers are not focused on generalisability but rather, on transferability (Mackenzie et al., 2012). The former differs from the latter insofar as generalisability seeks to generate knowledge through conclusions about a whole population drawn from a sample. Transferability does not strive for generic knowledge. Instead, it is about the ability to transfer the knowledge that is generated from the research project to other settings (Mackenzie et al., 2012).

In insider action research projects, the methods for collecting data may differ so that the trustworthiness of the research cannot be generalised for action research. Insider action research based on journals or diaries produce a large amount of tacit knowledge. This type of data generation and analysis has to be “impressionistic, full of bias, prejudice, and unexamined impressions and assumptions” (Herr and Anderson, 2005).

This action research project tries to respond to the varying demands of different views on the question of what makes relevant knowledge generated by action research. External credibility and transferability are very important for generating relevant knowledge. The knowledge that is generated within this study should educate the members of the organisation and have an impact on further client projects.

3.7.1 Reliability of quantitative data

Validity and trustworthiness of the overall research project should be assessed based on criteria dedicated for action research methods. The quality of research utilising quantitative methods is usually assessed by their validity and reliability. Reliability implies that another

researcher is able to replicate the results by repeating the same measures on the same population (Hesse-Biber, 2010). Internal reliability of items is measured by calculating Cronbach's alpha, a factor measuring "intercorrelation of the items and estimates the proportion of the variance in all the items that is accounted for by a common factor" (Vogt, 2005). A cronbach alpha at the higher end of its scale ranging from 0 to 1.0, i.e. all above 0.7 is sufficient for internal reliability (Vogt, 2005).

Internal reliability of the 16 items used within the quantitative part of this action research and measured as cronbach alpha project is 0.888, delivering a sufficient internal reliability.

3.8 Ethical issues

In every research activity, and also in the action research approach applied within this study, there may be ethical issues affecting the organisations as well as the participants of the research. When conducting social sciences research, Fowler (2009) has listed some issues concerning research ethics that he believes need to be addressed.

Fowler (2009) initially highlights the relevance of Institutional Review Boards, an institution at each university that oversees research activities. Ethical approval from a university's ethical committee is particularly relevant for third person research. This is research where the researcher affects the wider, impersonal community for research purposes. In addition to third person research, first person research is about journaling and making inquiries about one's own practice, while second person research describes one's daily work with peers - such as clients and colleagues - within the community of the inquiry (Coghlan and Casey, 2001). There is an ongoing debate amongst scholars about the relevance of ethical committees within the context of action research methods (Holian and Coghlan, 2012). For this study, the University of Liverpool's ethical committee has approved both of the research interventions.

Furthermore, in order to avoid ethical issues, Fowler (2009) states that it is important to inform the respondents, meaning that informed consent regarding the respondents' voluntary participation should be obtained in advance. In order to inform the participants properly, Fowler (2009) suggests providing the organisation and the interviewer who is conducting the research with the following: a declaration of any sponsorship, a brief description of the research, a declaration about confidentiality and a declaration that the participation is voluntary without any negative consequence (Fowler, 2009).

In this study, participants were informed about the background of the research, their role within the research and, in particular, their voluntary participation, as well as the anonymity of their contribution and data security and handling policy. The information sheet (Appendix B: Research information sheet) was sent to the participants of the interview before the

interviews took place. In addition to the consent form (Appendix C: Consent form) being submitted in advance, the author collected a signed copy from each participant for several reasons.

Fowler (2009) argues that signed consent forms are usually not needed, as long as no particularly sensitive information, which could harm or embarrass someone, are collected; there are no important limits to the confidentiality of the data; the population lacks the judgement or power to decline participation; or access to previously collected non research data are sought (Fowler, 2009). None of these factors were relevant to this research. In addition, most of the interviews were conducted via telephone, so signing a form proved an additional effort. Furthermore, the contacts all had a long-term relationship with the author and, as such, there was already a certain level of trust.

The survey respondents also had to declare their consent prior to entering the actual survey (Appendix F: Confirmation of survey participants).

In order to avoid ethical issues, it is important to protect the respondents. This means that the participants should not be adversely affected and that confidentiality is ensured (Fowler, 2009). In this study, anonymity and data confidentiality were ensured within the regulations, which were also reviewed by the university's ethics committee.

In terms of the effects on the participants, there were no negative effects upon anyone who participated in the research. The chosen practice of pragmatic action research is known for its gentle approach to initiate change within organisations, even if this may result in fewer changes than otherwise required. It is a non-confrontational approach, compared to a pushy approach to enabling change. Nevertheless, for this reason, this approach also avoided "slippery ethical or political slopes" (Coghlan and Brydon-Miller, 2014)

This research might have had an impact on some people or interim managers who have not participated in the survey. If sales organisations are striving for sales management support with a background from service industries or have experience in setting up and managing organisations within such a context, an interim manager with a background in good sales may see negative consequences for further project assignments. These consequences are not related to this research project and are driven by market forces.

Finally, Fowler (2009) addresses the issue of promising any benefits to respondents in return for their participation. For this research, no incentives were promised, except a report summarising the study results. This report will be generated by ABC, based on the results of this study and data generated by the survey. It will be used for qualification and positioning purposes and will be published mid-2016.

4 Presentation of results

4.1 Introduction

This chapter is structured according to the main streams of findings, based on the initial literature review and relevance of topics resulting from interviews. Some of the findings from the interviews have been further investigated on their relevance in different types of sales organisations by quantitative methods. Those subchapters who cover a topic which was also investigated by the means of quantitative methods is separated into a section covering the results of qualitative data collection, a chapter covering development of hypotheses based on the understanding from literature and qualitative interviews and finally a section which covers quantitative findings.

Research question	Relevant chapter
What are the key criteria that characterise successful sales organisations or salespeople in hybrid and service-dominant businesses?	Chapter 4.3, qualitative part of chapters 4.4 through 4.8
What differences exist between salespeople's approaches and behaviours between goods-dominant businesses or service-dominant business and how they are managed?	Quantitative part of chapters 4.4 through 4.8
How do organisations address changing requirements within their sales organisations and – if any - the tools and methods used for selecting, developing and managing people within their sales organisations	Chapter 4.2

Table 6 – Research questions and related chapters in result section

Chapter 4.2 is primarily relevant for the underlying practical problem of ABC and how to create a competitive advantage for organisations affected by servitization or change within sales organisations. This chapter answers research question number 3, which is about how organisations address the need for change on an employee level and how they select and develop employees according to changing / changed demands.

This research considers the factors for success in sales organisations from the service-end of the goods-service-continuum. Chapter 4.3 sets out to describe the background of organisations that were interviewed for data collection and how they address the challenges resulting from servitization and which experience they have made with selling hybrid or service offerings.

Chapters 4.4 through 0 are structured according to the factors which arose during the interviews in cycle one and which were further researched during action research cycle two. While interviews have provided a thorough understanding of the key criteria that make sales organisation and salespeople successful (research question 1), the survey conducted in action research cycle two has delivered an indication about the differences between sales organisations in goods-dominant and service-dominant businesses (research question 2).

Literature about sales organisations within service-dominant businesses suggests that, in a service setting, knowledge about the customer is more important than technical knowledge. Chapters 4.4 (technical and product knowledge) and 4.5 (customer and industry knowledge) present the findings of qualitative and quantitative research on these topics.

Research findings about the relevance of adopting various sales styles to the respective sales situation and experiment with various sales styles are presented in chapter 4.6. Since literature describes an increasing need of internal collaboration to sell hybrid or service offerings, chapter 4.7 presents the findings of investigating this factor for sales performance.

This chapter concludes with a section about sales control systems with particular focus on reward systems. Their relevance in general, as well as potential differences between goods-dominant and hybrid or service-dominant businesses, are presented in chapter 0.

4.2 Tools and methods for selecting and developing salespeople

This section discusses all of the interview responses on the subject of how new employees are selected during the recruitment process and how existing employees develop within their organisation or in their job. This also covers the tools and procedures that are used to ensure that the desired outcome is achieved. Being that the findings from interviews have led to a good understanding of status quo, the initial plan of the action research project had been adjusted and was not further investigated (please refer to chapter 3.3 for further details)

The experiences of the partners of ABC, as well as the hiring managers within the client organisations, have indicated that most of the selection processes are still based on interviews, references or sometimes assessment centres (mentioned by one interviewee, Director Sales / company #9). This is in line with the literature that claims interviews and references are primary tools for selecting new employees. One respondent from a large multinational IT company has described their selection process as follows:

“To get an idea of future performance, we look at the candidate’s previous success. This means that a farmer for our organisation has to prove that he has successfully managed and developed clients in previous companies. We use reference checks as part of our hiring process to make sure that we hire someone with a proven track record. Human Resources or the hiring manager calls former managers, previous customers or partners to get a full picture of his personality to assess whether the candidate fits our organisation or the intended role.

Reference checks and previous work experience are most important to us.” VP Solutions Sales, company #6

Interviews have further highlighted that the hiring managers of the sales organisations interviewed are not focused on how to hire the best new sales employees, but rather on how to get the best performance out of the current employees. The reasons for this can be found at an organisational and individual level. From an organisational perspective, organisations - at least in Germany - are not able to dismiss employees and hire new employees without certain reasons or without long and risky legal action. Therefore, they prefer – wherever possible – to develop and educate their existing employees instead of replacing them.

The manner in which organisation treats their employees further differs from their organisational culture and the legal constraints within the country of operation. The individual level is even more important for the success of sales organisations . Many sales representatives are well connected within the industry and within their customers' organisations. Therefore, it is also high risk for sales managers to lay off a sales representative without serious reasons. These reasons are not necessarily difficulties in adopting new products or new sales approaches. These are areas where the organisations try to support the development with additional trainings or finding a different role within the organisation.

Four out of seven respondents have argued that the development of employees has the highest priority while replacing sales employees is always associated with high risks, which have to be outweighed against the short- and mid-term advantages of such a shift. A further point was highlighted by a respondent (Director Sales, company #1) who argued that, even when replacing a sales employee, the issue is not necessarily resolved. There are several limitations beyond the candidate's profile. These can be their availability of desired profiles on the job market, the interest of candidates in working for the company or even organisational budget constraints. Another respondent has described the situation in his organisation with regard to handling existing employees who do not fit into the ideal profile of a sales person as follows:

“Ideal types of people profiles cannot be transferred to day-to-day life. Of course, you have an existing workforce or an older employee who does a good job but, nevertheless, does not exactly match the ideal profiles. In such a case, you have to try things because you cannot completely trust an analysis. In such cases, your gut feeling is also important in assessing the individual's potential and whether you can further develop their profile.” Director Sales, company #9

Another respondent (VP Solution Sales, company #6) emphasised the importance of keeping experience within the organisation. This organisation made a shift within their sales organisation and increased the requirements for account manager, subsequently assessing whether all of the existing people fit into the new job profile. This was performed by formal criteria concerning how they represent themselves and the organisation in front of customers and how they can communicate sales propositions. As this respondent outlined:

“During the transformation, we had a wave of people moving from the account organisation into the solution-seller-organisation (remark: the part of the organisation with technical account managers who support pre-sales projects from a technological perspective). These people had a high level of expertise but they did not meet the demand of being an account manager because they did not have wide knowledge, they were not accepted or they did not have the required sales capabilities.” VP Solutions Sales, company #6

Differing views exist about the right approach to educate and develop new employees for sales organisations. One respondent (Head of Service Sales, company #8) said that their preferred approach for new business development, i.e., new customer acquisition, is to hire young, intrinsically motivated people for the hunting organisation. This is because the risk associated with losing potential business with a customer who does not do business with the organisation is easier to manage than putting existing business at risk. Contrary to this, another respondent (Director Sales, company #1) argued that hunters cannot be effective without a knowledge of the products and organisational processes. This knowledge is best gained through working on existing accounts, ensuring that new employees of the sales organisation always start within the sales organisation for existing clients.

One respondent (Director Sales, company #9) said that assessment centres are used to evaluate the candidate's motivation, how the candidate copes with frustration and how the candidate ensures that the focus is kept on target achievement. He further outlined that this is particularly true for young employees, where no track record of success can be checked through conversations with former employers, customers or partners.

The use of psychometric tests is still an emerging theme in selecting and developing employees. One respondent, who is a partner at ABC (Managing Partner, company #4), gave an indication of both the relevance and level of acceptance of psychometric testing for their clients. Based on their annual revenues, assuming a 50:50 split between both business areas, ABC provides approximately 3,500 man-days of interim management services and approximately 100 placements for permanent positions per year. Based on this indicator of

volume, the interviewee has outlined the low relevance of personality checks within their processes:

“Last year, we conducted 42 leadership checks, which are usually used for development purposes, and 50 checks in selection processes. If you consider that these 50 checks are the amount of people and not the number of positions, only about 10 – 12 projects have used the additional information provided by psychometric tests.”

Other respondents with a background in interim management or recruiting, as well as hiring managers within sales organisations made similar remarks, even if it was also said that this scepticism may be related to personality tests. This is because one's personality cannot be changed in the short-term and there are also biases against this type of test. This seems to be particularly relevant in larger organisations in Germany, where worker councils still play a very important role before such tests are applied.

One respondent (Director Sales, company #9) mentioned that they use psychometric tests in the selection and development processes. This was the same respondent who already cited the further limitations of availability, the attractiveness of the organisation/the job profile and the organisation's monetary capabilities. He mentioned that people who have the ideal type of profile have a higher probability of being successful. He also mentioned that someone with a high level of communication skills and assertiveness is more likely to be a successful hunter, i.e., someone who better fits into the new customer acquisition. Due to the limitations that are mentioned earlier, this ideal fit is a kind of a theoretical problem.

4.2.1 Summary of findings

The interviews conducted as part of the first action research cycle have shown that psychometric tests are rarely used, while their acceptance and application is very low. This is not only true for the sales organisations that are covered in this research, as the usage of ABC clients also shows that it is not a widely accepted method. The interviews support the extant literature in terms of the application and low acceptance of psychometric tests. Previous research has shown that people are not hired or replaced based on a single criterion like personality. The performance of salespeople is influenced by a variety of factors. As such, personality cannot be considered as separate. Even if an organisation describes the ideal type of personality and competencies, it has been remarked that organisations are also competing on the labour market and therefore human resources availability is limited.

The interviews that were conducted within this cycle further highlighted a tendency of high loyalty between organisations and sales employees, at least within the organisations

researched in Germany. It was revealed that the primary intention of the interviewed sales managers is to develop their existing employees, being that they have a longstanding relationship with their customers, as well as the experience of their product offering and industry. None of the respondents showed an intention to change their organisation by replacing the employees on a larger scale in order for the organisation to adapt to changing environments.

There are two main reasons for this need for change. First, the organisations valued knowledge, experience and existing relationships between the salesperson and customers. These factors are important for their long-term success. Second, the investigated organisations are all affected by German labour law, which does not offer the flexibility of replacing employees based on changing market requirements. Therefore, external circumstances have forced the organisations to focus on internal development.

4.3 Differentiation through hybrid or service offerings

Even if servitization in literature is primarily described in the context of industrial manufacturing, the underlying drivers and motivations for differentiation and transition are presented in a similar manner in the interviewees' industries.

Most of the organisations are already selling services, but all of the interviewees described the necessity of differentiating beyond their goods or services features. One respondent's company is currently shifting from a goods-dominant business into a service-dominant business. He described the situation as such:

"We already have services as part of our business, which is anywhere between 7% to the maximum 15% of revenues. This is maintenance. This means that, if you buy hardware from us, there are three, four, sometimes five years' maintenance as part of the contract. We also offer out-tasking and outsourcing. We are now expanding this offer but, at the moment, its share is still irrelevant." Director Sales, company #9

Many services within the information technology, telecommunications and media sector are already commoditised and offered by many competitors. Thus, the majority of services do not offer a competitive advantage. Furthermore, creating customised processes does not often create a competitive advantage because processes such as support and invoicing processes within the IT and telecommunications industry are already standardised to ensure efficiency and interoperability. One respondent described the competitive situation in the industry:

“In my case, it is quite often destructive competition. This implies that our products, a mixture between services and hardware, are quite comparable. One provider is slightly better here and another is slightly better there, but the real differences, the strong differences, are quite rare or just for a short time until the competitors have caught up.”

Director Sales B2B, company #2

One respondent described the competitive situation in his environment, outlining the fact that services can be a differentiator:

“Such services cannot just be sent across the globe and delivered overnight with a solution available on the next business day. You need someone who is on site or quite close to the customer’s premises, ideally, someone who works in the customer’s system. This cannot be done from India as long as the service requires personal attendance.”

Director Sales, company #7

For the majority of the sales-related respondents, it was important for them to point out that all the goods and services they offer aim to address a customer’s problem holistically. Nevertheless, they also stressed that it is important for them to have scalable services with economies of scale, which they learnt from delivering services to create a superior customer experience, as well as keeping the sales cycles as short as possible.

4.3.1 Productised services

The literature on servitization recommends generating a competitive advantage by creating unique solutions that are tailored to resolve a certain customer’s demand. The interviews have shown that organisations currently offering solutions are shifting into a more productised form of product marketing and sales. Several interviewees described such a development in their organisations, shifting from custom-tailored solutions towards “predefined solutions” or “productised services”. These are characterised by more standardised service descriptions, pricing and processes, resulting in decreased complexity and increasing profits. One respondent described the advantages for sales and operations:

“We sell productised services, which are advantageous for us, since higher standards are easier to sell. You can even operate them more easily. You can show the customer the services that he can get and you can back this up with service level agreements and even measure the performance retrospectively.” Director Sales, company #1

Two respondents mentioned that customers are looking for comparable and even exchangeable products in order to keep a balance in power between the selling organisation and the buying organisation. One respondent (VP Solution Sales, company #5) explained that, for some reason, the rise in large IT outsourcing contracts is over. Consequently, customers do not strive for large solutions that cover a wide range of products. Instead, customers from all industries are placing increased importance on information technology because they want to keep the strategic knowledge within their company. For many buying organisations, it is important to keep the knowledge within the company in order to stay independent from a certain supplier. Even if they intend to align processes to ensure smooth operations and support, the buying organisations are also interested in defining a package of services and processes where the suppliers remain exchangeable. This is further enforced by purchasing departments insofar as these departments are often focused on creating the definition of services, where a request for proposals can be issued to compare a supplier's offering and to stay compliant with the purchasing guidelines. These guidelines often ensure that no contract is made without comparing the tenders of at least 2-3 suppliers.

The interviews also showed, besides all of the advantages, that there are also some negative implications for sales. Selling pre-packaged services only works if the packages are predefined. This requires that an organisation take care of creating these packages and making them ready for sales and this cannot be driven from an individual account or an individual salesman.

The interviews have shown that most organisations intend to achieve a competitive advantage not by creating custom-tailored solutions from scratch, but rather by combining the knowledge of the customer, the customer's industry and their "predefined solutions" to fulfil the customer's demand. Such companies try to fulfil individual demands by also maintaining the efficiency of services:

"We offer all services from one platform, which is extended based on the demand of several customers. Of course, some things have to be done and operated individually for some customers. These services are also integrated and based on standardised service modules, which we already have." Director Sales, company #1

One interviewee from an IT and telecommunications services provider described the necessity of this shift:

“Longer sales cycles, the custom-tailored development, the custom-tailored operations processes, without any opportunity for synergies or economies of scale, combined with no willingness of the customers to pay for this individual services, just crashes the profits.” VP Solution Sales, company #6

4.3.2 Role of the customer in co-creating value

The literature emphasises the importance of customer interaction in co-creating value and making a service business successful and profitable. The interview participants partially mentioned a different view on this topic.

Several respondents have argued that the customer should also benefit from the supplier's experience. Hence, merely answering customer requirements would not be constructive, since it would require that the customer be well informed about all of the developments. However, according to one of the respondents (Director Sales, company #1), they do not have the time to be engaged at the required level.

Five respondents who primarily do business with large and medium sized enterprises emphasised the increasingly important role of purchasing within the decision processes, even if the demand is still driven by information technology or technical departments. As one respondent put it:

“Most business is done via requests for the proposal. There are some prolongations where the customer decided it is not so important to tender. However, even the prolongation of existing contracts is often tendered or at least rigorously negotiated.” VP Solution Sales, company #6

Purchasing departments also provide another view of how services (and goods) should be purchased. As such, there is a constant dispute between the differentiation, which is forced by selling organisations, and the comparability required by purchasing organisations. Being that these respondents primarily deliver services to medium and large enterprises, they are concerned with purchasing departments as an inevitable part of the buying process. The involvement of purchasing departments often includes a strong focus on the request for proposals as a method of obtaining comparable tenders for a defined requirement:

“Customers are following the trend, they do not want to combine several topics. They want to make their RFQ to be able to sharply compare different bids.” VP Solution Sales, company #6

If an organisation decides to tender, it is more complex for sales organisations to differentiate without being dismissed due to their not answering the customer's requirements. The interviews also showed that organisations (two out of seven) who deliver primarily to small and medium enterprises are less concerned with purchasing departments within the sales process.

4.3.3 Summary of findings

The findings about the differentiation by hybrid and service offerings within the IT and telecommunications industry provide very interesting and useful insights about the reasons and procedures of these companies to differentiate within their respective markets. They should be also considered for companies within or thinking of a service transition to benefit from their experiences made during a similar transformation. However, since they are not directly related to performance or behaviour based factors on a personal level, they are not further considered within the quantitative part of this study.

The interviews indicate that the companies that have historically focused on individual customer solutions are now developing pre-defined solutions or productised solutions for two reasons. First, these companies are struggling with efficiency and achieving economies of scales, as has also been described within literature about servitization in an industrial context. Individual solution development, longer sales cycles that incorporate solution design, higher complexity in target setting and sales control are some of the factors mentioned by the interviewee participants as reasons for moving from highly individual solutions to more standardized combinations of offerings addressing a certain demand.

Second, an important factor for differentiation by hybrid or service offerings is the role of the customer in co-creating value. The interviews also showed that many hybrid offerings or services are already commoditised and customers are not willing to engage in creating unique solutions that are neither comparable nor easily exchangeable. Therefore, it is important to consider the strategic position of the organisation as a vendor of goods or services to assess whether the customer will be willing and able to enter into a value co-creation process. The criteria for assessing this are relevance, level of control and buying behaviour. Reinartz and Ulaga (2008) and Ulaga and Loveland (2014) emphasise the role of a service-savvy sales force, different types of personalities needed to sell services and several implications on the sales process. Nevertheless, they do not take into account the customers perspective and their willingness to enter such a process of co-creating value.

Outsourcing decisions, and a deep integration of suppliers into the value-creation process is a strategic decision of out-tasking or outsourcing competencies and knowledge to suppliers, underlie different decision criteria. Sanders et al. (2007) have developed a framework describing different outsourcing strategies. Decisions should be made based on the risk level, which is influenced by scope of the tasks and criticality. The more critical the service is for the buying organisations, they are not covered by contractual relationships but rather partnerships or alliances (Sanders et al., 2007). Taking this into account, the question in selling servitized offerings should not only about the role of the people in sales. It should be rather a holistic consideration of the sales process, i.e. is the customer strategically ready to outsource such services, is the selling organisation ready to enter a strategic partnership / alliance, how is management involved to generate trust and reputation at the 'buying' organisations, etc.

Relevance concerns the importance of the product for the customer, how much effort the customer puts into the selection of alternatives and the activities of the supplier. The relevance for a customer needs to be reflected by the account manager, being that different customers may consider the same product completely differently. The reasons for relevance may also differ from customer to customer, e.g., depending on the relevance as a preliminary product, the relevance for operations, historic reasons, etc. The level of control is also closely associated with the above and implies a certain degree of receptiveness on the part of a customer in buying a whole package of services ("a solution") in contrast to buying individual products and orchestrating their application on their own. This decision may be dependent on several factors such as relevance or their current organisational structure, etc.

Lastly, the buying process influences the interactions between sales organisations and the customer. If it is highly influenced by purchasing guidelines that are driven by a focus on costs and compliance, then they usually require tenders. A request for a proposal process implies that the services have to be comparable and cannot be completely designed upon a customer's request.

4.4 Technical and product knowledge as a factor for sales success

4.4.1 Findings from qualitative research

Even if all of the respondents confirmed the importance of customer knowledge, all of them also emphasised the importance of a profound technical expertise, which has to be demonstrated to the customer. This chapter further explores the different roles of account-related sales and technology-focused sales within a single organisation.

In business development functions, where no existing relationship exists, most of the interviewees mentioned the importance of having a high level of technical competency. It was also mentioned that a deep level of technological knowledge is not necessarily required for account-related sales:

“Questions about technology are more an area of pre-sales support and consultants. They really have to know about bits and bytes, and how the boxes work. This is not required by sales representatives.” Director Sales, company #9

This does not imply that account-related sales employees do not need technical know-how. It should be rather stressed that account managers need a certain level of basic technological know-how to understand the products, their application and to be able to put them into the context of the customer's environment. A deeper technological know-how (“on bits and bytes”) can also be provided by more technical resources.

For a new business development, this expertise is very important in order to get access to the customer. This gives organisations the opportunity to develop the relationship and gather the customer knowledge that is needed to tailor more customer-specific solutions. One respondent expressed this point in these terms:

“In particular, with prospects. Since prospects can - in the first step - actually only be convinced by competence and technology.” Head of Service Sales, company #8

Within the information technology industry, the need for technical expertise is also enforced by hardware manufacturers, who use solution partners to sell their products as including services or a whole solution to the market. According to one of the respondents, these hardware manufacturers are very interested in obtaining a profound knowledge of technology within the sales organisation, encouraged by different levels of certification. Hence, organisations that do not achieve a certain level are less supported in their business development activities.

4.4.2 Development of hypotheses

The findings from the interviews support the views expressed in the literature about the factors explaining sales success and customers' expectation in regard to the buying process (Boaz et al., 2010, Kreindler and Rajguru, 2006). Selling within a service organisation is considered to be fundamentally different to selling goods. Having a better understanding of the customer, increased external and internal networking capabilities and being able to identify and sell value for the customer are the main elements determining the

differences for hybrid or service salespeople (Sheth and Sharma, 2008, Ulaga and Loveland, 2014, Ulaga and Reinartz, 2011). Nevertheless, past research has not described the role of technical knowledge within this context. Is it less important and can be replaced by customer knowledge? Or should research be understood as customer and industry knowledge which needs to be added to the same technological understanding of goods-dominant salespeople?

The interviews deliver an indication that independent of the degree of servitization, technical knowledge and competencies were highlighted as very important. In particular, in early phases of the sales process, demonstrating technical knowledge is necessary to actually gain access to the customer to develop the knowledge that is necessary to provide more customised offerings. Thus, it is hypothesised that:

- H₁: Relevance of knowing the design and specification of a company's products and service is different between industrial and IT sales organisations.
- H₂: Relevance of knowing the application and function of a company's products and service is different between industrial and IT sales organisations.
- H₃: Relevance of keeping abreast of a company's production and technological developments is different between industrial and IT sales organisations.

4.4.3 Findings from quantitative research

All of these two-tailed hypotheses were tested at a 5% level of significance (i.e., $\alpha = 0.025$), which means that there was no significant difference at $p=0.025$ with a type I error at 95%.

In addition to a visual inspection of the histograms, a Shapiro-Wilk test was conducted to assess the normality of distribution. The results of Shapiro-Wilk have shown a deviation from normality in all of the tested items. Therefore, a Mann-Whitney test was conducted to assess whether there is a significant difference in the average scores between industrial and IT sales organisations (Dancey, 2011). At an alpha 0.025 and a confidence of 95%, the p values in Table 7 show no significant difference. For all three cases, it failed to reject the stated null hypothesis.

Hyp	Motive	Type of Org.	n	M	SD	Results: Mann-Whitney U Test
H ₁	Relevance of knowing the design and specification of a company's products and service is different between industrial and IT sales organisations.	Industrial	33	5.33	0.922	Test statistic: 407.500
		IT / Telecoms	28	5.00	1.087	Two-tailed p-value: 0.398 Conclusion: no significant difference, H ₁ (null) failed to reject.
H ₂	Relevance of knowing the application and function of a company's products and service is different between industrial and IT sales organisations.	Industrial	33	5.53	1.306	Test statistic: 355.500
		IT / Telecoms	28	5.13	0.968	Two-tailed p-value: 0.103 Conclusion: no significant difference, H ₂ (null) failed to reject.
H ₃	Relevance of keeping abreast of a company's production and technological developments is different between industrial and IT sales organisations.	Industrial	33	5.10	1.125	Test statistic: 416.500
		IT / Telecoms	32	4.78	1.166	Two-tailed p-value: 0.496 Conclusion: no significant difference, H ₃ (null) failed to reject.

Table 7 – Results of hypotheses testing H₁ to H₃

As outlined in methodology section of 3.6.1, respondents have been asked to select their industry and their degree of servitization. According to these respondents, industrial sales organisations can be considered as goods-dominant while sales organisation with background in IT / Telecommunications are service-dominant or hybrid organisations. Thus, industrial sales organisations were used within the quantitative part of the research to represent goods-dominant organisations, while IT sales organisations represent hybrid / service-dominant organisations.

4.4.4 Summary of findings

Neither the qualitative nor quantitative research has provided an indication of the differing relevance of technical and product knowledge between goods-dominant and hybrid or service-dominant sales organisations. The descriptive statistics show a non-significant higher mean score between +0.32 and +0.40 in favour of industrial sales organisations. This indicates that the relevance of technical knowledge is slightly higher within industrial organisations. Two of the items tested for technical and product knowledge are among the top three highest ranked values across all of the items, while all three items are amongst the top five values. In comparison, only one of the technical knowledge items is ranked in the top three of hybrid and service-dominant businesses and only two within the top five. Since these finding are non-significant, the indication could be based on measurement bias or errors. For this reason, this area should be further researched in order to prove or decline the relevance of product and technical knowledge.

The technical and product knowledge of this research is not limited to a thorough understanding of the company's offerings and its product specifications. It also includes a profound expertise of how the products work and are applied, as well as keeping abreast with technological development within the industry. For this reason, it is necessary to have a technical background and be informed of the products and services that are offered by competitors.

Being that the literature about sales within the context of servitization emphasises the importance of customer and industry knowledge, it does not answer the question of whether customer and industry knowledge should be added to the existing technical knowledge or if it substitutes technical and product knowledge. Furthermore, the literature does not answer the question of what degree of knowledge has to be obtained by a single person (the sales representative or account manager) or if it is sufficient just to make sure that the technical knowledge is present within the selling process provided by another sales-related role.

The interviews have indicated that a split between more customer-centric sales roles and more technology-oriented sales roles can ensure that all kinds of knowledge that are needed within the sales process are evident at an appropriate level. Data that were generated from the interviews further show that technical and product knowledge is also very important within a hybrid or service setting. Thus, it should be highlighted that technical knowledge is important within hybrid and service-dominant businesses, particularly at the beginning of a sales process. Customers in many industries still assess the capabilities of vendors based on technical expertise and competencies. Thus, establishing a customer relationship requires the demonstration of technical expertise at the beginning of the process.

4.5 Customer and industry knowledge as a factor for sales success

This section covers the role of industry knowledge and knowledge about the customer's organisation, products and concerns and how it influences sales success. It addresses the prevailing view of technical knowledge as the most important factor within Industrial sales organisations and the generation of customer knowledge and a thorough understanding of a customers' problem in order to sell services or a bundle of products and services.

4.5.1 Findings from qualitative research

One of the respondents taken from an organisation selling services summarised the necessary characteristics of an ideal sales person as follows:

“The account manager has to be real ace. He has to understand the business of the customer, he must have an excellent network in all business segments, he needs to have good commercial know-how: what are sensitive areas for the customer, where does he buy from and what does he read? It is a much more demanding role than it has been in the past.” VP Solution Sales, company #6

All of the respondents with a background in B2B sales have acknowledged the importance of customer knowledge. The prevalent opinion about the importance of customer knowledge was described by one of the respondents:

“With existing customers, it is quite important to put oneself in the position of the customer; to better understand him, to know what he is doing and what his business drivers and concerns are. Based on this knowledge, you should make some suggestions for improvements, where can technology supports the business processes.” Director Sales, company #9

This knowledge should not be limited to a generic or strategic level. According to one of the respondents, customer knowledge is also important to create and push opportunities throughout the customer’s organisation and to focus efforts on the most promising ones:

“I must have an idea but I also need to know exactly what makes the customer tick. On which projects does the customer work? Which departments can be inspired by new ideas, since they have time to deal with it? And which departments should you limit your effort to less time-consuming things because they are not currently fruitful? This means that you have to know the customer.” Head of Service Sales, company #8

Furthermore, the participants mentioned that extensive networking within the organisation of the customer is very important – in particular, if the customer is classified as a key account - and has become even more important in recent years. One respondent described what a good account manager should achieve:

“The ideal case would be that you know the organisation better than they do themselves. This means that you know if there is a problem of a particular kind, then there is a particular contact responsible. They may be two doors down but nobody within the organisation knows them.” Director Sales, company #9

In addition to customer knowledge and technological knowledge, all of the respondents with a sales-related background have emphasised the importance of market and industry knowledge. Salespeople have to know how the market develops, which trends affect the market and what concerns their customers. One respondent said:

“The point is, I need to know the market and the competition. I have to know the arguments that are interesting for the customer - which topics, what I have to ask for and how to qualify it in order to generate an opportunity.” Head of Service Sales, company #8

The above point seems to be particularly relevant if the product is comparable to competitors' products. One respondent (Director Sales B2B, company #2) explained his experience within the context of services, which is often easily compared by the product's characteristics. He emphasised the importance of having profound knowledge of the industry and market trends, even putting it into a broader context:

“You cannot define the attractiveness of a product just by individual service features and characteristics. You have to explain to the people how the demand is changing within their social context and why our offering better meets the future requirements.” Director Sales B2B, company #2

The interviewees mentioned the importance of having knowledge of the technology, customer and industry/market. They also mentioned during the interviews that knowledge in general is important, but it is even more important to put the information together and draw the right conclusions from it. This is particularly crucial for identifying opportunities by connecting the projects and developments of the customer with the products and solutions that are provided by the selling organisation. One of the respondents described it as:

“Personalising and synchronising information to the customer and the specific situation of the customer to elicit any opportunities – that is the task of the account manager. Just to send a pre-sales consultant to the customer is not very promising.” Director Sales, company #1

4.5.2 Development of hypotheses

Responding to the increasing requirements of customers by creating customised packages from services and goods to address an individual problem is one of the main characteristics of service or solutions sales in comparison to product sales (Ulaga and Loveland, 2014). The literature on sales acknowledges the importance of customer knowledge, to create customised solutions based on this knowledge and present the offerings within the

customers' context and as a solution to their problem (Boaz et al., 2010, Kreindler and Rajguru, 2006). Since the generation of customer knowledge and integration into the sales process is also described as one of the main prerequisites for shifting a goods-dominant sales organisation towards a service-dominant sales organisation, it is hypothesised that:

- H₄: The relevance of attentive listening to understand the concerns of a customer is higher for IT sales organisations than for industrial sales organisations.
- H₅: Addressing the customer's questions and objections by individualised solutions is higher for IT sales organisations than for industrial sales organisations.
- H₆: The relevance of convincing the customer that the organisation has understood their unique problems and concerns is higher for IT sales organisations than for industrial sales organisations.

4.5.3 Findings from quantitative research

All of these one-tailed hypotheses were tested at a 5% level of significance (i.e., $\alpha = 0.05$), which means that there was no significant difference at $p=0.05$ with a type I error at 95%.

In addition to a visual inspection of the histograms, a Shapiro-Wilk test was conducted to assess the normality of distribution. The results of Shapiro-Wilk have shown a deviation from normality in all of the tested items. Therefore, a Mann-Whitney test was conducted to assess whether there is a significant difference in the average scores between industrial and IT sales organisations (Dancey, 2011). At an alpha 0.05 and a confidence of 95%, the p values in in Table 8 show no significant difference. For all three cases, it failed to reject the stated null hypothesis.

Hyp	Motive	Type of Org.	n	M	SD	Results: Mann-Whitney U Test
H ₄	The relevance of attentive listening to understand the concerns of a customer is higher for IT sales organisations than for industrial sales organisations.	Industrial	33	4.82	1.211	Test statistic: 410.000 One-tailed p-value: 0.220 Conclusion: no significant difference, H ₄ (null) failed to reject.
		IT / Telecoms	28	5.00	1.466	
H ₅	Addressing the customer's questions and objections by individualised solutions is higher for IT sales organisations than for industrial sales organisations.	Industrial	33	4.91	1.259	Test statistic: 456.500 One-tailed p-value: 0.467 Conclusion: no significant difference, H ₅ (null) failed to reject
		IT / Telecoms	28	4.86	1.353	
H ₆	The relevance of convincing the customer that the organisation has understood their unique problems and concerns is higher for IT sales organisations than for industrial sales organisations.	Industrial	33	5.03	1.159	Test statistic: 435.500 One-tailed p-value: 0.345 Conclusion: no significant difference, H ₆ (null) failed to reject
		IT / Telecoms	28	4.89	1.257	

Table 8 – Results of hypotheses testing H₄ to H₆

4.5.4 Summary of findings

The data that was generated by the interviews supported the relevance of customer and industry knowledge as an important predictor for the success of salespeople and, therefore, sales organisations. These findings are in-line with the existing literature that emphasises customer knowledge as a main prerequisite for a successful shift towards hybrid and service offerings. Customer knowledge is characterised by a deep understanding of the customer's organisation, its processes and its responsibilities within the organisation. It is important to have a thorough understanding of the drivers of the customer's business, what their concerns and priorities are and what projects are going on.

The interviews have further shown that the salesperson's knowledge has to go beyond the customer organisation. It is important to understand the customer's industry, as well as what the market trends and developments are. Moreover, industry knowledge is not limited to the customer's industry. Therefore, it is important to have a profound understanding of the market dynamics within the selling organisation's industry to stay up to date with competitive and technological developments.

Customer knowledge is also about integrating this knowledge into the selling process, i.e., to custom-tailor argumentation to the needs of the customer and to create an offering that ideally fits the customer's demand. Even if the customer knowledge has been considered as an important factor for sales success, quantitative research has not shown that customer knowledge and addressing customer needs an individual solution that is more or less

relevant within one of the industries in scope. The mean scores of all three of the tested hypotheses are closely together with a maximum difference of 0.17 points on a 7-likert scale. Customer and industry knowledge is the second most important category for industrial sales organisations and the third most important for IT/telecommunications organisations.

4.6 Adaptive selling as a factor for sales success

4.6.1 Findings from qualitative research

The interviews indicated that sales are very context-sensitive and the right sales approach does not only depend on the organisational settings or the company's target groups. One respondent explained how they handle diversity in sales:

"This does not mean that my opinion is, or that I am convinced, that the whole sales team should change to a new sales approach. This is not true. I have account managers who collaborate perfectly with their customers as they have done it for years, and this will probably stay true for another five years. However, we also have customers that are really interested in engaging with these complex issues and their development. We also have some account managers who are concerned with a large volume request for proposals. They have to think about how to position themselves and the services within a 60-90 minute tender presentation."
Director Sales B2B, company #2

The success of individuals within a sales organisation and for a sales organisation as a whole is also related to an adequate account and territory planning. The sales organisations that were interviewed had different structures. In some of them, the salespeople are organised on a regional basis, i.e., a sales representative covers a certain regional area. Other sales organisations or even other sales channels within the same company are organised based on their accounts, i.e., account managers are relevant to customers without the consideration of territories. One respondent explained that they have further organised their account-based sales teams into industry-specific groups, while another has refused such an organisation due to being of a smaller size.

The allocation of an account to an account manager may also be based on personality or a match between the main customer contacts and the account manager. One respondent described this as follows:

"There are some all-round talents that can play as forwards, a midfielder or even a defender. There may also be an exceptional player who can

play as a goalkeeper. However, there are quite a few of this type. Two different positions would already be world class - this is the Champions League. However, in the end, everyone – including me – have their own profile, their own personality. Everyone has developed their own personal goals and are all working to improve themselves. Usually, to get an allocation, it is easier and more pragmatic to look at the type of customer and which customer type fits the account manager. This is, so to speak, to ensure that communication on both sides works well.” Director Sales and Marketing, company #3

The same respondent provided an example:

“I came into an organisation where the allocation of accounts and account manager was optimised based on regional factors, so it was kilometre-optimised. I changed this very quickly, since someone who was kilometre-optimised travelled across a region and only had a 40% fit with the customers within it. This allocation was only apparently efficient. It was petrol-efficient but not order entry-efficient.” Director Sales and Marketing, company #3

In two of the organisations investigated, the sales roles were differentiated by hunters and farmers, as it is also known from previous research within other organisations. While hunters focus on acquiring and developing new customers, farmers take care of existing customers and expanding the business with these customers. As one respondent outlined:

“Selling into existing clients and selling into prospective clients fundamentally differs.” Director Sales, company #1

Basically, the differences occur from developing existing customers based on customer knowledge and fitting solutions/products that match their needs. New customer acquisition is about creating leads by either marketing activities or establishing new contacts by salespeople. One interviewee described their new customer acquisition process as follows:

“The match field of hunters, who have dedicated regional areas, is characterised by intense competition. This means that all of the customers within their area have something in use that is not from us. Therefore, it is their first task to identify what they are using and why they have decided to use the respective technology or provider. If you have this, there are several options to approach such a customer. One option is our own telemarketing agency, who get the contact details from our regional rep. Our agency conducts several campaigns, with successful

generated leads of – in a good case – 1%. This per cent gets back into the lead management.” Director Sales, company #9

The decision as to whether a farmer/hunter approach is used also depends on the background of the organisation. One respondent said that they have – due to the broad area of services and long standing history of the company – a relationship or at least a historic contact to each customer of their target customers (large enterprises). Therefore, their need to establish a hunter organisation does not exist. One respondent from a service provider within information technology argued that sales within their context are not feasible with only a telephone acquisition or a short visit with a prepared order form.

4.6.2 Development of hypotheses

Dubinsky and Rudelius (1980) questioned whether goods and services are sold in the same way, while Ulaga and Loveland (2014) note that practicing value-selling is one of the key proficiencies for selling hybrid offerings. The interviews that were conducted in action research cycle one delivered an indication that sales approaches cannot be generalised for all target segments and customers of an organisation. Instead, it is important to identify the customer- and project-specific variables and adjust the approach accordingly. Thus it is hypothesised that:

- H₇: It is more relevant to adapt selling approaches from one customer to another for IT sales organisations than for industrial sales organisations.
- H₈: It is more relevant to vary sales styles from situation to situation within the selling process for IT sales organisations than for industrial sales organisations.
- H₉: The necessity of being flexible in approaches used to address a prospective / a customer is higher for IT sales organisations than for industrial sales organisations.
- H₁₀: It is more relevant for IT sales organisations to experiment with different sales approaches and models than for industrial sales organisations.

4.6.3 Findings from quantitative research

All of these one-tailed hypotheses were tested at a 5% level of significance (i.e., $\alpha = 0.05$), which means that there was no significant difference at $p=0.05$ with a type I error at 95%.

In addition to a visual inspection of the histograms, a Shapiro-Wilk test was conducted to assess the normality of distribution. The results of Shapiro-Wilk have shown a deviation from normality in all of the tested items. Therefore, a Mann-Whitney test was conducted to assess whether there is a significant difference in the average scores between industrial

and IT sales organisations (Dancey, 2011). At an alpha 0.05 and a confidence of 95%, the p values in Table 9 show no significant difference. For all cases, it failed to reject the stated null hypothesis.

Hyp	Motive	Type of Org.	n	M	SD	Results: Mann-Whitney U Test
H ₇	It is more relevant to adapt selling approaches from one customer to another for IT sales organisations than for industrial sales organisations.	Industrial	33	4.40	1.380	Test statistic: 412.500 One-tailed p-value: 0.231 Conclusion: no significant difference, H ₇ (null) failed to reject.
		IT / Telecoms	28	4.61	1.725	
H ₈	It is more relevant to vary sales styles from situation to situation within the selling process for IT sales organisations than for industrial sales organisations.	Industrial	33	4.57	1.223	Test statistic: 455.000 One-tailed p-value: 0.459 Conclusion: no significant difference, H ₈ (null) failed to reject.
		IT / Telecoms	28	4.70	1.396	
H ₉	The necessity of being flexible in approaches used to address a prospective / a customer is higher for IT sales organisations than for industrial sales organisations.	Industrial	33	3.93	1.388	Test statistic: 371.500 One-tailed p-value: 0.131 Conclusion: no significant difference, H ₉ (null) failed to reject.
		IT / Telecoms	27	4.35	1.402	
H ₁₀	It is more relevant for IT sales organisations to experiment with different sales approaches and models than for industrial sales organisations.	Industrial	33	3.97	1.520	Test statistic: 401.000 One-tailed p-value: 0.184 Conclusion: no significant difference, H ₁₀ (null) failed to reject.
		IT / Telecoms	28	4.26	1.573	

Table 9 – Results of hypotheses testing H₇ to H₁₀

4.6.4 Summary of findings

Adaptive selling is about the flexibility and openness of the salespeople to vary and adapt the selling approach and style from one customer to another. The data from the interviews have shown that there is a need to adopt the style on an organisational or an individual level. The organisational level includes an adoption of the go-to-market strategy and allocation of accounts/territories to the needs of both the selling organisation and the customers. The individual level includes the adoption of the individual, approaches and styles of the sales representatives and account managers, depending on the sales situation.

None of the hypotheses tested have been significant with regard to the differences between both types of organisations. The descriptive statistics show a slightly higher but non-significant relevance for service-dominant businesses. The differences are between 0.13 and 0.29, while within the selling process only the relevance of varying sales styles from situation to situation has a difference of 0.44 between both means. With the exception of the category of sales control and reward systems, this is the highest difference between all

of the means. Based on the findings from the interviews that have shown a need for service-selling organisations to have a broader customer approach, i.e., relationships with technical departments instead of a single contact, as well a substantially longer sales cycle, the need to vary within the selling cycles of service-dominant businesses seems to be of significant importance.

4.7 Teamwork and internal / external networking as a factor for sales success

4.7.1 Findings from qualitative research

Within the sales organisations that were interviewed for this study, none of the respondents described a sales approach that was focused on a single person. They all emphasised the importance of connecting customer contacts and employees of the selling organisations both horizontally and vertically. Horizontal connection means to collaborate with experts from different departments who are capable of showing the selling organisation's competencies to counterparts within the buying organisations. Vertical connection implies establishing and maintaining relationships between management on both sides.

The respondents emphasised the importance of various roles within the selling team entailing that, even if sales are often equated with sales representatives, account managers or sales managers, all of these organisations have "pre-sales consultants" or a "solution account manager" as an integral part of the selling team. These roles are usually focused on a certain topic, rather than accounts, and are involved by the "front line" account managers if needed. Two respondents emphasised the importance of sales processes where technical support is involved at a very early stage.

One respondent described the ideal type of profile for such a position, one in which sales and technical engineering is combined in one position:

"The consultant has to be suitable for customer contact. He still has to be an expert on a deeper level. This level is quite technological and these people are a scarce resource. On the one hand, there are many good salespeople, as well as a lot of very good engineers. However, an engineer who you can send to a customer and who explains complex issues from a sales perspective, including a unique selling proposition and why it costs that much, what you can do with it and why it is better than others, is very rare." VP Solution Sales, company #6

People in such positions need a detailed understanding of technology or, as one of the respondents explained:

“They really have to know about bits and bytes, how the boxes work.”
Director Sales, company #9

Many IT organisations provide services for and sell the hardware products of hardware manufacturers. These manufacturers support the qualification of account-related and technology-focused salespeople in order to obtain the appropriate support:

“You need at least 10 certified salespeople and 20 certified pre-sales consultants, otherwise you will not get the partner status XY. If you do not have a certain status, you will get less marketing funding or other themes. This means that you need a certain level of certification and training in both areas.” Director Sales, company #9

The involvement of pre-sales consultants, i.e., high technological competence into the sales process, was acknowledged by all of the respondents with a sales background. Some respondents also emphasised the importance of showing competencies very early on in the sale process:

“In particular, with prospects, as they can - in the first step - actually only be convinced by competence and technology. Going to a prospect and trying to get a relation only with relationship-management-topics is not really promising.” Head of Service Sales, company #8

The involvement of technical experts right at the beginning of the process was described as beneficial for the speed of the sales process and served to increase the probability of winning the business. Putting more technical expertise at the beginning of the sales process is, according to the respondents, a more direct sales approach where one is better able to influence the customer's decision-making process:

“Account managers do not have a relevant expertise (remark: in technological topics), but they try to approach and push topics. If there is a request for a proposal on hand, experts have been included in the process to answer all of the questions. However, this is too late within the sales process. (...) We have shifted the priority from customer knowledge and industry knowledge to more technical topics.” VP Solution Sales, company #6

One of the respondents (VP Solution Sales, company #6) mentioned an analogy between a successful account manager and a chess player. The account manager should be able to

identify the customer demands based on what he gathers about the business priorities from his networking activities and exchange with contacts within the whole customer organisation. After having identified areas of potential business (“leads”), it is important to connect the right contact from the customer with the right expert of the selling organisation in order to position the organisation and its products or, as he expressed it:

*“To bring the right chessman on the right position.” VP Solution Sales,
company #6*

The account manager has to identify potential opportunities by establishing a new relationship within the organisation and developing a relationship where he obtains all of the required information.

One respondent also requested that all of the people working with the customer should focus on sales-related topics. She expressed this as follows:

*“We expect from everyone working with a customer to position themselves and the company, to keep their eyes and ears open (...) if they have an opportunity or have even already discussed the topic on a technical level, they call our sales department to create a tender.”
Director Sales, company #7*

Establishing relationships between different members of the organisation is then not limited to technical experts or at an operational level. One respondent described this approach of covering several management levels:

“Ideally, if it is a very large account, we also cover several levels by a number of levels from our organisation. People who install products cover the administrator’s level, you cover the business unit manager and the head of IT, and you connect our CFO to the CFO of the customer. This should be done on several occasions so that your own communication is enabled. Even if this is the ideal status, we do not have this very often.” Director Sales, company #9

As already mentioned in the section about customer knowledge, building relationships within the customer’s organisation is important in order to be successful. One respondent outlined the importance of broadening the network across the organisation. In their case, about 30% of the IT budgets are not contracted by the IT department, since the development of applications is often driven from technical departments:

“This means that he not only has to talk with the IT department, like in the past, but also, he has to talk with marketing, sales, research and development, human resources or treasury.” VP Solution Sales, company #6

The relevance of building networks within the customer’s organisation was further emphasised by the other respondents. The respondents were asked whether they thought that if the ideal profile with high distinction in all areas cannot be achieved, what would be the most important characteristic of a sales representative? One respondent said:

“The right one would be the one with the contacts that are helpful for us to get into business with them. Even if she/he has no clue about the specification of our products and has a different background, if she/he knows the right contact to open the door so that we can send in our specialist in this area, this would be a situation where I believe this could work.” Director Sales, company #7

In addition to networking within the customer’s organisation, it is also important to network amongst the sales representatives of the organisation and the industry in general. One respondent in particular mentioned the relationship with companies that have similar products supplementary to his company’s products. In combining supplementary products, it is possible to approach a customer in common, in order that an existing relationship can be used and extended, rather than having to establish new contacts. Another example of networking within the industry was mentioned by another respondent, who described the process of creating a plan for relationship management:

“You then have to investigate how a potential relationship management could be. For this purpose, tools like LinkedIn and Xing are quite interesting, as you can see who is already in touch with a certain prospect and who can give me you some information about them.” Director Sales, company #9

One respondent described a similar target of getting information, introductions or even more information. He emphasised the importance of networking within his own organisation:

“For key accounts, it is primarily important to know the customer in detail and to know what happens there. I further need one or two examples and one or two reference cases. This is because we have more than 10,000 employees and there is always someone who has realised some interesting projects, either in Africa, France or wherever.” Head of Service Sales, company #8

If a sales representative cannot network with everyone within an organisation and knowledge transfer needs to be institutionalised, it also requires some internal networking with people who are working on the same accounts or within the same industry in order to get easy access to information.

4.7.2 Development of hypotheses

Uлага and Loveland (2014) described an increasing network complexity, in particular within the salesperson's own organisation. The interviews confirmed the necessity of collaborating with internal colleagues from various departments, and this is particularly relevant within the context of account-related sales roles and technology-focused roles as well as in ensuring a long-term customer satisfaction. Thus, it is hypothesised that:

- H₁₁: Relevance of generating considerable sales volume jointly by two or more salespeople is higher for IT sales organisations than for industrial sales organisations.
- H₁₂: Relevance of building strong working relationships with colleagues within the company is higher for IT sales organisations than for industrial sales organisations.
- H₁₃: It is more relevant for IT sales organisations than for industrial sales organisations to collaborate very closely with non-sales employees to close sales.

4.7.3 Findings from quantitative research

All of these one-tailed hypotheses were tested at a 5% level of significance (i.e., $\alpha = 0.05$), which means that there was no significant difference at $p=0.05$ with a type I error at 95%.

In addition to a visual inspection of the histograms, a Shapiro-Wilk test was conducted to assess the normality of distribution. The results of Shapiro-Wilk have shown a deviation from normality in all of the tested items. Therefore, a Mann-Whitney test was conducted to

assess whether there is a significant difference in the average scores between industrial and IT sales organisations (Dancey, 2011). At an alpha 0.05 and a confidence of 95%, the p values in Table 10 show no significant difference. For all cases, it failed to reject the stated null hypothesis.

Hyp	Motive	Type of Org.	n	M	SD	Results: Mann-Whitney U Test
H ₁₁	Relevance of generating considerable sales volume jointly by two or more salespeople is higher for IT sales organisations than for industrial sales organisations.	Industrial	33	4.40	1.522	Test statistic: 423.000 One-tailed p-value: 0.282 Conclusion: no significant difference, H ₁₁ (null) failed to reject.
		IT / Telecoms	28	4.57	1.674	
H ₁₂	Relevance of building strong working relationships with colleagues within the company is higher for IT sales organisations than for industrial sales organisations.	Industrial	33	5.20	1.126	Test statistic: 455.000 One-tailed p-value: 0.458 Conclusion: no significant difference, H ₁₂ (null) failed to reject.
		IT / Telecoms	28	5.04	1.492	
H ₁₃	It is more relevant for IT sales organisations than for industrial sales organisations to collaborate very closely with non-sales employees to close sales.	Industrial	32	4.87	1.332	Test statistic: 404.000 Two-tailed p-value: 0.250 Conclusion: no significant difference, H ₁₃ (null) failed to reject.
		IT / Telecoms	28	4.83	1.403	

Table 10 – Results of hypotheses testing H₁₁ to H₁₃

4.7.4 Summary of findings

The interviews confirmed the extant view in literature that sales within a service-dominant business are not a one-man show. Instead, it is important to collaborate with peers and colleagues from various departments to fulfil the customer requirements.

Testing the hypotheses about internal networking and collaboration with sales and non-sales colleagues during the selling process has not provided a significant difference between both types of organisations. The descriptive statistics have further shown the smallest mean differences of all categories, ranging between 0.04 and 0.17. It also does not show a single tendency for higher relevance, since the higher means differ between the tested items.

4.8 Sales management and control as a factor for sales success

4.8.1 Findings from qualitative research

The interviews highlighted some further factors that might influence the success of a sales organisation. This section covers all of the information gathered in relation to these factors.

All of the interviews demonstrated that sales is a team sport and not a one-man-band. Nevertheless, they also showed that incentive systems and responsibility are usually focused on the sales representative, respectively the account manager. One respondent described their monetary incentive system as:

“Pre-sales consultants have, depending on when they started here, between 10% and 20% of their income variable. In turn, this means that 80% to 90% are fixed income without any relation to performance. This is completely different for account managers and sales representatives. They all have the 60:40 model. This means that 60% are fixed income and 40% depend on their performance.” Director Sales, company #1

According to several interviewees, incentives that are based on financial rewards are common. Important figures for sales management are those related to controlling the revenue and order entry.

How accounts are allocated within an organisation is also an important factor of success. One respondent expressed the view that defining a sales representative as successful or not successful is based on target achievement within the context of time and accounts:

“So, the most successful sales rep is another story. You can consider this on a quarter, a year or the whole time. I have been a part of this company for several years and there have been many differences. Those who are the most successful today were in the middle a few years ago. There is nobody in the company who you could say has always been amongst the most successful or always in the top three performers. (...) In addition, to a certain extent – as foolish as it is – sales is also about luck. (...) These things go in waves. Sometimes everything goes well and sometimes things go wrong. The best key account manager just has a single customer. If this customer has a budget freeze, is acquired by another company or under any other special circumstances, it is pretty bad for your business and for your success within this period.” Director Sales, company #9

The focusing of sales activities on dedicated areas of innovative and new products is not effective without granular sales planning and controlling. One respondent explained that they have not been able to govern sales activities on dedicated areas without creating pre-packaged services on a lower level of their offering, and focusing sales incentives on important areas of these sub-segments:

“In the past, it was incredibly hard to place a new product, a gentle plantlet, via these “account walls”. Today, we can govern the activities by segment clusters and planning order entry on this level, enforcing the sales organisation through more granulated incentives.” VP Solution Sales, company #6

Shifting from a customer-tailored solution to productised solutions or predefined solutions also has an impact on the selling cycle and profitability, as well as determining how an organisation can be controlled and managed. Furthermore, it creates new demands within the organisation. One respondent described his experience of moving from solutions to predefined solutions or productised services. With regard to sales, he said:

“Since you are moving from individual to predefined solutions, you have to consult with the customer earlier. In solution business, you can wait until the customer is knocking at your door, asking for a solution to his problem. If you have predefined packages, you have to introduce this quite early. You have to be there at the beginning of the process, consulting him to consider your package and make sure that this is included in the request for proposals or within the contract.

Since you are earlier in the process, your topics are already clearly shaped, you are much more focused and you are faster. We can see that we earn more money this way.” VP Solution Sales, company #6

The respondents considered one disadvantage of having predefined solutions and a much more topic-focused sales approach was when they had less success in cross-selling the products of several business segments. Nevertheless, there are further advantages for organisational planning of offering predefined solutions. Such solutions are described as:

“Offering predefined solutions gives you the opportunity to plan your margins, since you know which conditions or margins are achieved with each product segment or offering segment. In the past, our results have been a kind of coincidence. Revenue - great, order entry - great, but no profit. Today, you can focus on the segments with more attractive profits.” Director Sales, company #1

Moreover, improved organisational planning is not limited to planning revenues and profits. Several offering segments and packaged services also offer the opportunity to manage sales organisations more effectively:

“We see that we are really able to push certain topics by having a more detailed planning and increased transparency on the market. (...) You can further better control and manage sales activities, for example, with higher incentives for revenues generated with a certain offering segment. This was not possible in the past.” VP Solution Sales, company #6

4.8.2 Development of hypotheses

Sales control systems and, in particular, motivating and rewarding salespeople by incentive compensation is considered by the literature as important predictors of sales performance (John and Weitz, 1989, Menguc and Barker, 2003), even if they may also bring along some disadvantages, if not implemented properly (Schmitz et al., 2014). They are useful in supporting organisational growth and change by focusing salespeople and sales organisations on these indicators who are important for the organisational objectives (Roberge, 2015).

Interviews have supported the view of literature of having an effect on motivation but, in particular, allowing to direct the focus of sales activities towards particular business areas or areas which are in line with strategic changes. Since the usage of incentive compensation is related to sales performance in service selling organisations, it is hypothesised that:

- H₁₄: The extent to which incentive compensation is used as a major means for motivating salespeople is higher in IT sales organisations than in industrial sales organisations.
- H₁₅: The extent to which incentive compensation judgements are based on the sales results achieved by salespeople is higher in IT sales organisations than in industrial sales organisations.
- H₁₆: The extent to which salespeople are rewarded based on their sales results is higher in IT sales organisations than in industrial sales organisations.

4.8.3 Findings from quantitative research

All of these one-tailed hypotheses were tested at a 5% level of significance (i.e., $\alpha = 0.05$), which means that there was no significant difference at $p=0.05$ with a type I error at 95%.

In addition to a visual inspection of the histograms, a Shapiro-Wilk test was conducted to

assess the normality of distribution. The results of Shapiro-Wilk have shown a deviation from normality in all of the tested items. Therefore, a Mann-Whitney test was conducted to assess whether there is a significant difference in the average scores between industrial and IT sales organisations (Dancey, 2011). At an alpha 0.05 and a confidence of 95%, the p values in Table 11 show significant differences between tested samples. For all cases, the stated alternative hypotheses could be accepted.

Hyp	Motive	Type of Org.	n	M	SD	Results: Mann-Whitney U Test
H ₁₄	The extent to which incentive compensation is used as a major means for motivating salespeople is higher in IT sales organisations than in industrial sales organisations.	Industrial	32	5.40	3.069	Test statistic: 265.500 One-tailed p-value: 0.015 Conclusion: significant difference, H _{14(alt.)} accepted
		IT / Telecoms	25	7.13	2.322	
H ₁₅	The extent to which incentive compensation judgements are based on the sales results achieved by salespeople is higher in IT sales organisations than in industrial sales organisations.	Industrial	31	5.03	3.157	Test statistic: 287.500 One-tailed p-value: 0.048 Conclusion: significant difference, H _{15(alt.)} accepted
		IT / Telecoms	25	6.39	2.518	
H ₁₆	The extent to which salespeople are rewarded based on their sales results is higher in IT sales organisations than in industrial sales organisations.	Industrial	32	5.97	3.285	Test statistic: 225.500 One-tailed p-value: 0.004 Conclusion: significant difference, H _{16(alt.)} accepted
		IT / Telecoms	24	8.09	1.857	

Table 11 – Results of hypotheses testing H₁₄ to H₁₆

The descriptive statistics of the presented cases indicate noteworthy differences between the group of sales organisations with background in industrial / manufacturing and IT / telecommunications industry for all of the stated hypotheses.

4.8.4 Summary of findings

As part of sales management and control systems, reward systems are part of a set of tools that are used to enhance the extrinsic motivation of salespeople. The data gathered through the interviews has shown that, within the information technology and telecommunications industry, incentive compensation is based on individual performance are common and substantial parts of income are related to performance. It has further been shown that incentive compensation can be used to control and focus sales activities on what is important within the context of organisational strategy.

All three hypotheses have shown significant results, and all have shown a noteworthy difference in their means. The significant results with a mean difference between 0.95 and 1.48 (normalised to a seven-point likert-type scale) in favour of IT/ telecommunications sales organisations have shown the extent to which incentive compensation is used as a major means of motivating salespeople (1.21) and the extent to which salespeople are rewarded based on their sales results (1.48). Additionally, the third hypothesis, the extent to which compensation judgements are based on the sales results achieved, shows a mean difference of 0.95 for IT and telecommunications organisations. The results of both qualitative and quantitative research show a higher level application of compensation incentives, not only in general but also, for controlling and steering sales activities, as part of the organisation's strategy.

4.9 Summary of findings

Most of the organisations in this research were hybrid or service-dominant businesses and none of them were businesses, as traditionally considered within servitization literature (usually industrial manufacturing). Nonetheless, this research covered a variety of sales organisations - from small organisations with single-digit employees to a sales organisation with close to 1,000 sales employees. As such, it covered a lot of different approaches to new customer acquisition or account management of existing customers. The interviewees' responses and subsequent quantitative classification and justification have delivered some indications of what are the predictors of sales performance in hybrid organisations and how predictors of sales performance in industrial sales organisations (representing goods-dominant organisations) and IT sales organisations (representing hybrid and service-dominant organisations) differ.

Table 12 summarises the categories of predictors of sales performance identified by qualitative interviews, and the hypotheses developed and tested in quantitative research in cycle two.

Category / Hypotheses	Conclusion
Chapter 4.4: Technical and Product Knowledge	
H ₁ : Know the design and specification of a company's offerings	Failed to Reject H ₀
H ₂ : Know the application and function of a company's offerings	Failed to Reject H ₀
H ₃ : Keeping abreast of a company's production and technological developments	Failed to Reject H ₀
Chapter 4.5: Customer and Industry Knowledge	
H ₄ : Attentive listening to understand the concerns of a customer	Failed to Reject H ₀
H ₅ : Addressing the customer's questions and objections by individualised solutions	Failed to Reject H ₀
H ₆ : Convincing the customer that the organisation has understood their unique problems and concerns	Failed to Reject H ₀
Chapter 4.6: Adaptive Selling	
H ₇ : Adapt selling approaches from one customer to another	Failed to Reject H ₀
H ₈ : Vary sales styles from situation to situation within the selling process	Failed to Reject H ₀
H ₉ : Being flexible in approaches used to address a prospective / a customer	Failed to Reject H ₀
H ₁₀ : Experiment with different sales approaches and models	Failed to Reject H ₀
Chapter 4.7: Teamwork / Internal Networking	
H ₁₁ : Generating considerable sales volume jointly by two or more salespeople	Failed to Reject H ₀
H ₁₂ : Building strong working relationships with colleagues within the company	Failed to Reject H ₀
H ₁₃ : Collaborate very closely with non-sales employees to close sales	Failed to Reject H ₀
Chapter 4.8: Sales Control: Reward Systems	
H ₁₄ : Incentive compensation is used as a major means for motivating salespeople	Alternative Hypothesis Accepted
H ₁₅ : Incentive compensation judgements are based on the sales results achieved by salespeople	Alternative Hypothesis Accepted
H ₁₆ : Salespeople are rewarded based on their sales results	Alternative Hypothesis Accepted

Table 12 – Overview results hypotheses testing

In addition to the presented differences between the values of each category as intra-category comparison, Table 13 shows the ranking of categories by the averaged means. Even if, for most of the items (except H₁₄-H₁₆: reward systems), no significance difference between the groups was identified, the ranking shows one major difference in the valuation of predictors of sales performance. While the ranking of all of the categories is identical, the relevance of rewards systems is considered diametrically different between industrial / manufacturing (goods-dominant) and IT / telecommunication (service-dominant) sales organisations. Being that most literature about B2B sales acknowledges the relevance of

performance-based incentives, organisations that wish to shift from goods-dominant to hybrid or service-dominant should review their rewards system and to what degree incentive compensation is used for individual motivation and, respectively, how it is related to individual performance.

Category	Hyp.	Rank Industrial	Mean Industrial	Rank IT	Mean IT
4.4 Technical and Product Knowledge	$H_1 - H_3$	1	5.32	2	4.97
4.5 Customer and Industry Knowledge	$H_4 - H_6$	2	5.03	3	4.91
4.6 Adaptive Selling	$H_7 - H_{10}$	4	4.22	5	4.49
4.7 Teamwork / Internal Networking	$H_{11} - H_{13}$	3	4.82	4	4.81
4.9 Sales Control: Reward Systems	$H_{14} - H_{16}$	5	3.83	1	5.04

Table 13 – Ranking of categories

It should be noted that the means for ‘sales control rewards systems’ were adjusted from a ten-point scale to a seven-point likert-type scale in order to make them comparable with the remaining items.

5 Conclusion

This study has investigated the predictors of sales performance within hybrid and service-dominant organisations. It has aimed to define the different key criteria for successful sales organisations within a goods-dominant, hybrid and service-dominant environment. This chapter concludes the thesis by presenting the managerial implications deduced from the research findings (chapter 5.1). It also presents the theoretical contribution that the research findings have provided (chapter 5.2). Reflections on both the action research process chosen for this study (chapter 5.3) and the status of the addressed issue (chapter 5.4) are subsequently presented. Chapter 0 discusses the limitations of this study and chapter 5.8 concludes with areas for further research.

5.1 Managerial implications

5.1.1 Predictors of sales performance

The research findings of this study are in line with the existing literature and support the view that knowledge in general is one of the most important predictors for sales performance. Moreover, this was one of the main topics that surfaced in the interviews. Furthermore, the survey participants ranked categories about knowledge the highest. Successful salespeople need to have a broad area of knowledge, ranging from technical and product-related knowledge to extensive knowledge about the customer organisation, the customer's industry, the selling organisation's industry, its competitive landscape and commercial knowledge. Salespeople at least need to be capable of boundary spanning, i.e., contextualising several pieces of knowledge in order to present a single story internally and to the customer. This study has not delivered statistically significant evidence about the differences in the relevance of knowledge between goods-dominant, hybrid and service-dominant organisations. However, from this study, it can be assumed that the level of knowledge needed in each of the areas does not only depend on the type of organisation. Sales organisations are affected by so many internal and external variables and, as such, each organisation needs to assess the necessary level of knowledge.

One significant finding of this research is the role of reward systems between goods-dominant and hybrid service-dominant businesses. This study has shown that incentive compensation is the most relevant predictor within hybrid and service-dominant businesses, while it is the least relevant predictor for goods-dominant organisations. Traditionally, reward systems are often focused on revenues or profit within the salespersons' dedicated area or accounts. Research findings from IT sales organisations show that more sophisticated reward systems, which for example also consider individual

targets for different offering segments, support the introduction of new offerings or support the shift in strategy by focusing sales activities on these areas.

If rewards systems are applied appropriately, reward systems support the extrinsic motivation of salespeople and can direct sales activities according to organisational strategies. As such, any organisation that wants to increase sales or change the direction of sales force activities should review their existing reward system or introduce performance-based incentive compensation.

This study has reviewed two other categories of predictors of sales performance: the relevance of adaptive selling and teamwork within the organisation. Neither of these factors showed a significant difference between the two types of organisations and they were considered to be among the less relevant factors.

5.1.2 Implications of servitization

The shift towards servitization has been described as a strategy to overcome the strategic issues arising from increased competition and the commoditisation of goods. Vandermerwe and Rada (1988) have outlined the reasons for differentiation by offering services as a means to lock out competitors, to lock in customers and to increase the level of differentiation (Neely, 2009). All the literature about sales within the context of servitization describe how to adapt the sales organisation to achieve this or, at least, similar goals (Sheth and Sharma, 2008, Terho et al., 2012, Ulaga and Reinartz, 2011).

This research has shown some indicators of the approach that should be considered by goods-dominant business striving for differentiation in terms of hybrid offerings or service offerings. As the results of this study show, and in line with the existing literature about B2B sales organisations in general, the right approach needs to be assessed carefully and sales organizations have to adapt their strategy according to their learnings (Ingram et al., 2001). Changing the organisation to a service and/or solution-selling organisation can be a long journey. For this reason, before entering the change process, the organisation needs to make sure that their customers are ready to buy such a package of goods, services or processes or if they – for whatever reason – insist on their previous buying behaviour. It is important to consider all factors influencing the selling process, the type of offering is just one of many factors that have to be taken into account.

Depending on the relevance of the supplier's product, they might not be able or willing to enter the process of co-creating value. As shown by examples from the – highly servitised – IT industry, customers within this industry strive for comparable and exchangeable solutions. Thus, a trend in productised solutions can be identified. These are provided as a response to customer demand and are also advantageous for offering companies. By

offering productised solutions, organisations are able to achieve economies of scales while, at the same time, creating solutions that are individualised to a certain degree. Achieving economies of scale are important, being that hybrid and service offerings are not exempt from competition. Thus, as described in the servitization literature, companies can potentially overcome profit issues by offering more standardised solution offerings (Eggert et al., 2014).

The research has further indicated that not offering completely individualised solutions increases sales efficiency. First, sales cycles are less extensive and pre-sales efforts for creating tenders are limited to a certain extent. Second, based on a structured offering in connection with sophisticated incentive compensation, organisations are able to focus their salespeople's activities on these parts of the offering. These are required to realign the organisation's market positioning, realise growth opportunities or increase profits by focusing on the most profitable portfolio segments.

5.1.3 Summary

From a sales management perspective, this study has indicated some very practical recommendations for developing and managing a sales organisation.

First, it recommends creating a culture of engaged and continuous learning about all of the relevant areas of knowledge. This might be particularly relevant for sales organisations that have been successful for many years and, as such, do not need to change their way of thinking. Additionally, encouraging reflection and getting a shared understanding supports boundary spanning and taking the right conclusions from the knowledge.

Second, this study recommends reward systems, which encourage changes in attitudes and mind-sets by supporting extrinsic motivation. Existing incentive compensation should be considered to support changes on an individual and organisational level.

Third, this study recommends keeping this action research in mind and considering the complexity of sales organisations with its various contextual predictors. Considering change within sales organisations should be considered as a recurring cycle of action and reflection. This will initiate the continuous cycle of organisational development.

5.2 Theoretical contribution to predictors of sales performance

This action research project has not only contributed to a better understanding and improvement of the initial problem by generating local knowledge. It has also created some actionable and public knowledge for practitioners and academics within the area of sales management and/or servitization.

5.2.1 Sales control systems / incentive-based reward systems

An important contribution emerging from this research project concerns the relevance of sales control systems and incentive-based rewards for sales organisation within hybrid or service-dominant businesses. Literature on creating a service-savvy salesforce already indicates the relevance of having the right incentive systems that promotes service sales (Reinartz and Ulaga, 2008). This research not only supports the advantages of incentive-based reward systems as a tool to manage the direction of sales efforts, it has also shown that their relevance has a completely different significance within IT sales organisations compared to industrial organisations.

The research findings do not describe the difference in how compensation incentives are used within either of the industries in scope. However, they do prove that the way reward systems for motivating, rewarding and controlling salespeople are significantly differently regarded between industrial (goods-dominant) and IT / telecommunications (hybrid / service-dominant) sales organisations. This finding supports the theoretical status quo of sales organisations within the context of servitization, where also the role of sales management has to be adopted to new requirements (Ulaga and Loveland, 2014). This research contributes to setting the right priorities within a change project by indicating which area of improvement will have the most significant effect on the organisation.

One typical process for selling services involves establishing a customer relationship, understanding the customers' problem and creating an individual solution. With regard to managing the salesforce, a solution selling approach includes the challenge of defining a suitable level for incentivising salespeople. Focusing uniquely on high level indicators, such as revenue or profit, may result in resistance to new products with only small contributions to target achievement. Hence, breaking target achievements down into certain offering segments or new service components requires a proper definition of these offerings. This research has thus shown that pre-defined solutions may support organisations in achieving this (see also Chapter 5.2.2).

5.2.2 Pre-defined solutions and co-creating value

The research findings have supported the existing literature, which shows that under certain circumstances, offering services results in decreasing profit margins (Neely, 2009, Reinartz and Ulaga, 2008). Moreover, a positive impact on profits is associated with achieving economies of scales in service provisioning (Kastalli and Van Looy, 2013). Interviews have shown a tendency of hybrid and service-dominant businesses to move away from highly individual solutions into more standardised offerings for efficiency reasons. Besides the increasing complexity resulting from individuality in delivering the services, organisations have also cited the advantages for the sales process and organisational planning. By creating pre-defined solutions, i.e. packaging service components into defined offerings and bundling them according to customer demand, they have overcome several issues usually associated with selling solutions.

Reinartz and Ulaga (2008) have named one of these issues as involving much longer sales cycles, due to the focus on establishing a relationship before addressing customers' need by developing an individual solution. Research has shown that organisations who have developed pre-defined solutions could shorten sales cycles by bypassing or respectively shortening the phase of establishing relationships, understanding customers' needs and developing customer-individual solution. This development of more standardised service packages has been further enforced by customers, who often look for comparable offerings or who are not willing or able to enter the value co-creation process; the latter is described in the servitization literature for industrial offerings (Ulaga and Loveland, 2014).

Servitization is widely considered as a strategy to be utilised against increasing competition through the commoditisation of goods, but also services can become commodities. Hybrid and service-dominant businesses within this research have delivered some indications as to why their services have already been commoditised. The provision of packaged rather than individualised services has further enabled companies to plan profits and manage the salesforce on the level of more granular offering which, in turn, helps to introduce new (service) offerings or shift the focus according to business priorities.

5.2.3 Integrating various types of knowledge

This study supports the existing literature about the relevance of various types of knowledge necessary to succeed within the selling process. It has indicated that – in line with the literature – knowledge about the customer and the industry is very important for selling services (Piercy et al., 1998). These types of knowledge are particularly relevant to identifying sales opportunities based on customer knowledge and so integrating the selling company's proposition into a reasoning which fits into the customers' context. The existing literature does not state whether new types of knowledge are intended to dominate current

product/technical knowledge. However, research findings suggest that existing product/technical knowledge should not be overruled for the sake of aiding provision of customer/industry knowledge. It is hence rather important to preserve this knowledge, being that it is relevant for gaining access to a customer. Without proofing the technical expertise of an organisation, the selling organisation will probably not be able to develop the customer relationship.

The research findings further show that all types of knowledge are not necessarily combined at the sales person's level, but can also be ascertained by different people within the sales process. The companies investigated from the IT/telecommunication industry thus differentiated between the customer-related account manager and a technically-focused pre-sales consultant. This combination ensures that all the competencies and skills are available throughout the sales process, without overburdening a single person. Nevertheless, it is important for a customer-related account manager to reach a good understanding of each knowledge area, since he or she is primarily responsible for integrating all the information into a single story and so draw the right conclusions from all the information available.

5.2.4 Change management within sales organisations

Reinartz and Ulaga (2008) have described sales organisations as a major hurdle in overcoming the transition from goods-dominant to service-dominant businesses. Research findings have shown a certain degree of resistance to change, as long as it is associated with replacing existing employees in order to adopt new skills or attitudes amongst new workers. The organisations investigated within this thesis have attached more relevance to maintaining the customer relationship and so keeping previously acquired knowledge and experience within the organisation. They therefore tend to put a lot of effort into developing current employees instead of replacing them. This strategy is further driven by organisations who usually consider success to be based on achieving targets. If targets are primarily set for financial outcomes, like revenues or profits, then it is not surprising if sales organisations and individual salespeople within this organisation focus on achieving these targets.

5.3 Reflection on methodology / reflection on action research

5.3.1 Reflection on action research

In this research, I have applied an action research method to reach a better understanding of the social issue. As a method of recurring inquiry and reflection, action research is very helpful in addressing the complex issue of: i) generating a competitive advantage for the author's organisation and ii) indicating the predictors of sales performance within B2B hybrid organisations. Applying smaller interventions to obtain a better understanding and reflecting on these findings rather than conducting a single research project has been very helpful for me.

The initial problem in scope has been the application of psychometric test within the context of a transformation of sales organisation due to servitization. If the project had been conducted as a mixed methods research project rather than an action research project, the results of the first (qualitative) phase would not be part of a reflection process which might include a change in research focus. Typically, in a mixed methods research project, initial findings would be tested by quantitative methods. In action research, reflection on the process and the outcomes provides a better understanding of the problem, which is included into the next phase of the research. In this case, the indication of managers from the industry that a psychometric testing does not make the difference to them was a valuable finding shifting the focus of the research away from "does psychometric testing work for the problem?" to "what are the criteria and where are the differences?" If action research had not been applied in this study, it is likely that the whole study would follow the initially identified path of personality and psychometric testing. Although this approach would have resulted in well-researched results, they would not have focused on what is needed by sales managers within the organisations concerned and it would therefore not deliver any practical impact for ABC to improve their competitive position. Thus, expanding an internal set of people who are thinking about creating a competitive advantage - in this case the introduction / promotion of psychometric testing by various research cycles - has encouraged an agile approach to organisational development and avoided a costly and time-consuming project delivering insufficient results.

I have chosen interviews as a method to acquire a better understanding of the context and background and this proved to be good choice, since it produced valuable results about what makes a sales organisation successful. Conducting of individual interviews may not have been in accordance with some understandings of collaborative action research. However, it was the right method in the context of this study. Securing the same set of participants within a single (or recurring) session would not have been feasible and, being that some of them are competitors in the market, it would not have delivered the same

results. Conducting qualitative interviews did further ensure the same insights that they would be generated by a learning set except the critical questioning, but I further had the opportunity to analyse these interviews according to scientific standards and to generate another kind of public knowledge; a public knowledge which goes beyond the knowledge of published action research theses.

Action research is usually not intended to achieve generalisable results. Nevertheless, since ABC provides its services to a lot of industries and clients, this study was intended to deliver some results or at least indications that can also be transferred to other settings. In order to achieve these aims, the second cycle of the action research considered a quantitative method. A survey was then conducted to investigate the predictors of sales performance within goods-dominant and service-dominant businesses. This research has therefore combined the advantages of taking action on a certain issue, deriving valuable insights from qualitative research and delivering further insights and some kind of proof by expanding the database through quantitative research methods.

It should be noted that most action research practices and traditions are rooted in more traditional organisational contexts than the situation that exists at ABC and within the author's professional environment. Fixed organisational structures with hierarchies and continuous settings do not exist within the author's environment. Business is rather project-driven, with changing teams and business priorities depending on particular projects. Furthermore, long-term business development is individually driven by each partner within the network.

Considering my professional situation at the beginning of the thesis process, which was more an independent part of an organisation with only informal impact on the organisation, and what action research projects usually are about, I come to the conclusion that my environment was not ideally suited to conduct such an action research project. Nevertheless, I did take action on an organisational issue and moved on to improve the situation, even if it was complex to follow a process like in more stable organisations. Reflecting on the overall process and the outcomes of this action research project, I am very happy about my personal development, I am happy about the contribution I could make to public knowledge in this area, and I am somewhat happy about the progress I could achieve within the organisation. If I would do such an action research project again, I would make sure right from the beginning if all external circumstances are ideally suited to fit into the context of action research or I would go for another methodological research approach.

5.3.2 Action research versus mixed methods research

The research methods used within this thesis are qualitative methods within action research cycle one and quantitative methods within action research cycle two. Even if it could be considered that a mixed methods research approach has been applied, this thesis has still been conducted under the overall philosophy of action research. The same methods with similar objectives as within this thesis are described by Hesse-Biber (2010) as sequential mixed method design. The qualitative part can be used to generate constructs, while the tests making up the quantitative part are applied to a representative population in order to validate them, and data from both studies are integrated to increase the validity of qualitative results (Hesse-Biber, 2010).

Even if the action research project has finally turned out to be similar to the sequential mixed methods research project, it still remains an action research project with qualitative methods applied within the first cycle and quantitative methods applied within the second cycle. It remains an action research project because, in the first instance, it has addressed an organisational issue affecting the author's organisation. Second, the research project was not planned as it was finally conducted, being that the initial approach has changed based on the findings of action research cycle one. Action research has to keep its flexibility and responsiveness throughout the research process because each action/cycle may lead to a new understanding or to new or different questions (Mackenzie et al., 2012, McTaggart, 1991).

5.3.3 Reflection on methodical risks

With regard to action research, Coghlan and Brannick (2014) describe three potential issues. These are preunderstanding, role duality and managing organisational politics. Preunderstanding was definitely one of the issues that had to be taken into consideration during the research process. Since the author has been engaged in several sales management positions or change projects in sales organisations, he has a thorough understanding of most of the topics that were discussed within the interviews and the reflections with peers from the professional network. Nonetheless, it was important to make sure that the interview and reflection processes were not biased by the author's personal opinion. Thus, to avoid biasing data during data collection or data analysis due to preunderstanding, a semi-structured interview approach was used. Furthermore, most of the interviews were recorded, transcribed and coded with NVivo. Since the research was mostly conducted with external participants and the organisation is a formal but non-hierarchical network of independent business owners, role duality has not played any role during the research process. There were no situations where the hierarchical, managerial role and the role of the researcher clashed. This was also due to the specific organisational

situation and the close relatedness between professional and academic research. Lastly, organisational politics only played a small role during the process, since all of the partners within the network had their industry focus. Thus, the research purposes had to be explained to get access to the candidates, respectively interim managers, from all of the industries.

5.4 Reflection on addressed initial problem

An action research problem is not necessarily resolved after two iterative cycles of planning, action and reflection, and this was the case for this action research project. Action research is an ongoing journey and it will require further action research cycles to investigate and improve the problem.

The planning process was based on two basic concepts that were connected. On the one hand, there was the issue of how a competitive advantage for ABC could be generated and, on the other hand, how the academically and market-driven interest of servitization could be used to do so. During the process of action and reflection, the initial idea turned out to not be suitable for delivering the expected results for a product offered by ABC. For this reason, one of the actions taken on the initial problem has been not to proceed with focusing on psychometric testing as it was initially planned within the organisation. Being that the psychometric testing offered by ABC, as a means for personnel recruiting and development, did not turn out to be a viable approach, the procedural problem still persists of how clients can be supported within their development from goods- to service-dominant businesses. Interim management services, where ABC can provide a variety of sales managers from all types of sales organisations, constitute one tool that can be used to facilitate change within clients' organisations. This study has shown in particular that, for sales organisations that are affected by a multitude of predictors, a generic scheme used as a blueprint for organisational development is not suitable. Therefore, it is more an issue of how to enable and facilitate change, which is ideally suited to the interim management unit of ABC. From a procedural point of view, the problem has shifted from psychometric testing to interim management to create a competitive advantage. If the organisation plans to be further engaged with change drivers of servitization, digitalisation, industry 4.0, etc., the experience and expertise backed by the insights generated from these two cycles and further cycles will result in competitive advantages.

To benefit from these changes would also require a further shift in how the organisation interprets its own focus and to what degree ABC just acts a broker or to which degree they want to position their selves as an organisation which is supportive in solving the problems by solutions rather by providing people. The insights generated from this research could, for example, be included in a learning set consisting of interim managers working in client

organisations on behalf of ABC. Establishing such a learning set with focus on sales functions who have worked for ABC or who currently work for ABC would constitute a sort of meta-learning set, since these interim managers are all working in different organisations. However, they could benefit from discussing the issues and challenges around transformation from various perspectives and under consideration of the results of this project. Again, this would not only be beneficial to the organisation in terms of solving the functional problem of transforming sales organisations, but it would also be an option to introduce a methodologic into how their interim managers work within client projects. Even if not in formal learning sets, the above described exchange of knowledge and experience gained from the research has taken place on a regular basis between interim managers working for ABC and myself in order to improve the company's services and market positioning. I further discuss the difficulties of introducing change to the organisation and my personal decision in chapter 5.6.

On a higher level, the insights could also be used in regard to content marketing strategies, being that an approach of many service providers to differentiate from competition and to "achieve and sustaining trusted brand status" (Holliman and Rowley, 2014, p. 269). Content marketing implies a sort of cultural change on the part of the selling organisation, from selling to helping. Content relevant to its audience has also to be useful, compelling and timely (Holliman and Rowley, 2014). The results of this research could be used to create some educational content for use in ABCs marketing activities and positioning as a 'helpful' service provider. Even if it was initially planned to use these insights to improve the market positioning of ABC, I have outlined in chapter 5.6 some difficulties and the impact on my personal career. For this reason, the results of this research are not used within ABC but supported the development of an offering under a new brand and are used for creating the above mentioned trusted brand status.

With regard to addressing the issues of B2B sales organisations within the context of servitization so far, the action research cycles have delivered valuable insights, as well as an interesting contribution to existing knowledge. These have been explained in previous sections and have definitely contributed to my positioning within the market due to a better understanding of what predicts the success of sales organisations.

The stakeholders of this project are partners of ABC, clients of ABC and interim managers of ABC. All of them may benefit if the problem is approached further and the status quo is improved. Clients would then be better supported in adapting to a constantly changing environment and ABC will increase its quality of services and create a competitive advantage. In turn, this will result in more business for ABC and the interim managers working for ABC. They are not only affected by a potentially better positioning in the market

but also by an improvement in their own job performance through better-informed action on their interim projects. Therefore, from a procedural point of view, it is important to consider whether action learning should be introduced as a procedure for interim management projects at ABC, so that the learnings can be applied within the ever-changing environments of client organisations.

It should be noted that, due to the special type of organisation - i.e., on the one hand, a network of independent partners and their local organisations under the umbrella of ABC - and, on the other hand, interim managers who are only employed for the purpose of a client project, a constant and formalised team could not be established over the duration of the project. Reflection and participation of peers was done through several discussions about the topic in scope, driven by the authors interest in proceeding with the action research project.

5.5 Reflection on Research Results

Findings from qualitative research in cycle one have brought up some very interesting insights into the development of managed or outsourced services and the strategies of these companies to overcome the profitability issue by creating productised solutions or more standardised offerings. This is very interesting for companies who are just thinking about whether it is a suitable strategy to enter a similar transformation.

Based on what is written in literature about the differences of sales organisations in product-centric businesses and in service-driven sales organisations, I did expect more significant differences between both types of organisations. There can be several reasons to explain why there are just a few significant differences. Considering my personal experience within sales organisations with various backgrounds, the question of relativity and subjectivity has to be considered. For example, managers from both sales organisations had to answer the question of whether customer knowledge is relevant to their context. Even if both types of groups have weighted the relevance on a similar level, it may be that their individual perception of customer knowledge is completely different. Most IT sales organisations have been trained for years in value selling, solution selling or consultative selling, entailing that an 'outstanding' about the knowledge about the application at the customer might be very contextual in terms of where the respondent comes from in regard to product / service, background, etc. But independent of discussing relative versus absolute (or objective versus subjective) values, the interviews have already shown that there is not a huge difference. Even if the interviewees considered, for example, customers as very important in service selling, they all acknowledged that product knowledge is the basis for further activities. In other words, it is not a question of "whether

a certain skill / characteristic / etc. is needed”, it is rather a question of “how much of it is needed”.

In addition, both types of industries are highly competitive so that respondents probably stay up-to-date about what is happening in their industry and in their business area of sales. The sample of interim managers and executives that have responded is not a representative sample of industry members and the participants are probably amongst those who are better informed. In particular, interim managers have a broad range of experience and their competitive advantages results from being informed and having wide experience. This might have impacted upon the results due to the fact that they know that some factors should be more or less relevant, while they answered the question in view of the desired performance of sales people rather than actual performance.

Finally, each sales organisation and sales process is connected to its context. The product / service, customers, regional focus, competition, value chain, internal and external people, and many more factors do influence the success of a sales organisation. In addition, even if the same sales people sell the same product / services to customers from the same industry, these customers can have a very different view of what’s important for them, i.e. how they consider the relevance and importance of the offering for their own offering, what their strategic approach to purchasing is, etc. Perhaps this plurality of influencing factors leads to a certain degree of equality between industries, being that there are extremes of each factor within organisations from both industries.

5.6 Personal Reflection and Personal Development

This action research project has contributed tremendously to my personal, professional and academic development. First and foremost, it has led to the decision to leave the organisation under whose umbrella this research has been conducted and to create a new venture. As mentioned earlier, I was (and I am still) self-employed but I have decided to partner with an international organisation working in executive recruitment and interim management in order to benefit from their brand and infrastructure. While conducting this action research project simultaneously during the reflection sessions, tensions between the view of what is relevant for the members of the organisation and for members of my personal industry network became evident. This finding had to do with a strategic decision to promote personality testing as a key differentiator, so that the result from action research cycle one did not fit into the organisation’s strategy. For this reason, there have been some discussions about the results and how personality testing could be integrated as a valuable tool.

Reflections from members from my industry network have so far supported the results and strengthened the view of creating practically relevant results, rather than focusing on a certain methodology in order to justify some kind of competitive advantage. I have therefore had not only to decide about the next actions taken on the problem, but this decision was also relevant for my further professional focus. While the results concerning the success factors in different types of sales organisations could be of interest for the interim management section of the organisation, this would not have the desired impact on the market positioning of executive recruitment and has therefore proved less relevant. Reflecting on “what do I personally want to stand for”, i.e. as a broker for providing interim manager or fixed-employed employees or a consultant who supports organisational change and problem solving, I have decided to focus on the last position. I want to be recognised as someone who contributes to solving an organisational problem or who contributes to organisational development, rather than being focused on a certain tool or idea just for the sake of this idea. After several discussions I did therefore decide to opt for what I personally saw as more relevant (supported by most of the academics / industry network reflection partners), rather than what was initially intended and discussed with my organisation’s management.

In view of the fact that the above findings are also meant to be at the root of creating a new venture rather than proceeding with the old organisations, the results did not have the impact on my previous organisation they could have had. They add important knowledge and experience to the stack of knowledge relevant to interim managers working on transformational projects. However, from the organisation’s point of view this only impacts indirectly its positioning as a broker for interim managers. It has also contributed to the previous organisation, since we agreed to transfer some of the knowledge into the organisation and its interim managers leading to a more competitive situation.

In order to focus on what I would like to stand for and where I see my competencies based on 15 years of sales and sales management experience within B2B organisations, I have therefore agreed with my previous organisation to leave the organisation after a phase of transition and to establish a new organisation focused on solving the problems directly, i.e. bringing expert knowledge to support change rather than just focusing on being an agent. I have already found partners from my industry network to start a new venture which supports organisational transformation as a response to changing market environments and where both action learning and servitization are important areas within this business. Knowledge gained from this action research project is not only helpful to supporting organisations within such a transformational process, it has been particularly relevant to creating market positioning and offering this new venture. The underlying principles of

servitization can be also recognised in other developments, entailing that knowledge and experience gained throughout this project can be applied to several situations.

In regard to the process of how the action research could be conducted, I am also a little bit disappointed that a 'traditional' learning set could not be established. Due to the situation of my being self-employed within a network of independent partners and no longer working in a traditional organisation, it was not possible to create the typical environment described in most of the literature about action research.

On my path to become a scholar practitioner, this action research project has provided a tremendous contribution in particular on the academic side of the coin. Applying qualitative and quantitative methods to a practical problem and focusing on creating not only a project report but an academic piece of paper with some degree of rigour has demanded a great deal of me, in particular since the guidelines how to compile such an academic paper are on the one hand quite rigor but on the other hand not described in detail. I would not consider this as the end of a journey which has started by enrolling to the DBA programme. It is rather a stopover to reflect on the journey and to see what was good so far and which parts of these learnings should be also part of my professional life in the future. Action learning in general will definitely become one of the methods used to approach also further professional problems, since it is ideally suited to address complex problems in dynamic environments.

5.7 Limitations of the study

Action research, which is a research method within social science, is not intended to deliver generalisable results across all contexts. The result of action research is contextualised knowledge, which should be highly relevant for the context researched (Somekh, 2006).

Since this study follows an action research approach, it is subject to all of the limitations that are associated with this type of method. The main intention of all action research methods is to create actionable, contextualised knowledge that makes a difference to a certain problem within a certain context. Action research methods do not intend to generate generalisable knowledge. Therefore, the knowledge produced may not be applicable within other contexts (Kemmis et al., 2014, Zuber - Skerritt and Perry, 2002). This study intended to overcome this limitation by integrating quantitative research methods. However, by drawing upon the existing database of contacts, the sampling may be biased.

A general limitation occurs from the fact that success within sales is a subjective topic and previous research does not provide a single answer for the key to success. It is rather a highly context-sensitive, variable-dependent topic that has to be approached carefully and may be interpreted differently. Therefore, this study is limited by bias from individual

participants, which becomes more relevant due to the limited sample size in both of the action research cycles.

The limitations of this study further include its narrow focus on the author's industry and insights that are primarily generated out of this network. In particular, this may affect the insights that are generated from the interviews, which all took place within a limited number of industries and different types of sales organisations. It could be potentially beneficial for further studies to exclude the variable of sales organisations' structure and their buying behaviour by limiting the research to certain sales organisations with similar structures. The focus on the industry/personal network is also a limitation, being that there is literally no goods-dominant business in its primary definition. All of the relevant organisations that were contacted for an interview have a background in information technology or telecommunications and already sell some services in addition to their goods or as a separate business unit.

Further limitations were revealed by the survey sample and the method by which the survey was conducted. The sample size might be small and it might not represent the sales executive population within the investigated industries. The survey was further extended by use of an electronic survey where the people invited to participate had to self-register, entailing that limitations may result from non-random sampling. Thus the trends that are generated from these data have to be considered with caution within a context other than for the intended purpose of this study. Furthermore, they should not be interpreted without the context of this action research project because they have to be considered within the whole action research context. Being that this study intended to follow an action research methodology, obtaining generalisable results by quantitative research was not the focus and generalisability should be investigated by further research.

Furthermore, they should not be interpreted without the context of this action research project, since they have to be considered within the whole action research context. Since this study intended to follow an action research methodology, getting generalisable results by quantitative research was not the focus and generalisability of results should be investigated by further research.

5.8 Further research

This research has delivered an indication of where the differences lie between predictors of sales performance in industrial and IT / telecommunications sales organisations. It has also raised some new questions and opened areas of further research.

Literature about the role of sales in servitization agrees on considering customer and industry knowledge as a very important factor for a successful sales process. This is also supported by literature about selling within complex B2B environments or value-based selling. Being that this research has shown that both areas of knowledge, i.e., technical and product knowledge and customer and industry knowledge, are important for each type of organisation, further research should be conducted on this area. In particular, the degree to which different areas of knowledge are necessary and in which role within the selling process they can be covered should be investigated. Since this research has backed the relevance of various types of knowledge and its contextualisation, further research should be conducted on how salespeople can be supported by adopting new knowledge and how knowledge can be contextualised.

Findings from the IT / telecommunications industry show that a good basic understanding on a technical level is important for the sales representative. However, deeper technological knowledge is introduced into the sales process by another technologically-oriented role. Therefore, further research should focus on how the different types of knowledge can be integrated also in industrial sales organisations, i.e., which level of knowledge is necessary to draw some meaningful conclusions, as well as which roles can be further integrated within the selling process and what are the requirements for these roles.

An important area for further research is the different valuations of reward systems within goods-dominant or service-dominant sales organisations. The findings have shown that there is a difference between the extent to which companies of each industry use incentive compensation as a major means of motivation - they judge incentive compensation based on individual sales results - and the extent to which salespeople are rewarded based on results. Based on these findings, further research should explore how reward systems are structured and which factors of the reward systems used in IT / telecommunication sales organisations could be useful to support a change initiative in goods-dominant organisations. This research should be supported by further quantitative research to substantiate findings from a limited sample size.

Further research should also be conducted into whether individualised solutions are meaningful or in what context they are meaningful. Based on the presented examples of firms from the information technology / telecommunications sector moving from an individual approach towards a more standardised approach, further research should

investigate whether goods-dominant businesses from the industrial/manufacturing sector may benefit from their experiences. This research could focus on a customer-centric perspective, i.e., looking at the organisation's products and assessing whether these products and its current target market are disposed to and capable of buying servitised offerings.

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Appendix A: Example invitation

Only available in German language.

Von: Sebastian Groß [mailto:sebastian.gross@...]
Gesendet: Mittwoch, 20. August 2014 10:43
An: [redacted]
Betreff: Anfrage wg. Interview / Doktorarbeit zum Thema "Hybrid offerings in B2B organisations: predictors of sales performance"

Sehr geehrter Herr [redacted]

wir haben uns vor einigen Jahren kennengelernt und gemeinsam Projekte [redacted] (und realisiert?). Auf Xing habe ich gesehen, dass Sie weiterhin im Vertrieb aktiv sind, weshalb ich mir erlaube Sie zu kontaktieren.

Derzeit schreibe ich an meiner Doktorarbeit zum Thema "**Hybrid offerings in B2B organisations: predictors of sales performance**". Teil dieser Doktorarbeit ist die Untersuchung von Vertriebsorganisationen im B2B-Umfeld um Unterschiede bei Vertriebsmitarbeitern zu identifizieren und diejenigen Eigenschaften / Kompetenzen zu identifizieren, die den Erfolg einer Vertriebsorganisation ausmachen. Hierbei werden Organisationen verglichen, welche nur Produkte vertreiben, welche reine Dienstleistungen vertreiben und diejenigen, die eine Mischform aus beiden anbieten. Am Ende sollen natürlich auch Rückschlüsse daraus gezogen werden können, was eine Organisation vertrieblich verändern muss, sollte sie sich (typischerweise) von einem Produkt-fokussierten Unternehmen in ein Dienstleistungs-fokussiertes Unternehmen entwickeln wollen.

Hierzu möchte ich mit Experten aus jeder dieser Vertriebsorganisation ein (telefonisches) Interview führen, welches ca. 30-45 Minuten dauert. Die Ergebnisse sind selbstverständlich vertraulich, vollständig anonym und es geht ausschließlich um Ihre Erfahrungen mit Vertriebsmitarbeitern, d.h. welche persönlichen Eigenschaften und welche Kompetenzen die Vertriebsmitarbeiter aus Ihrer Sicht erfolgreich machen, etc. Es geht also nicht um die Produkte oder Dienstleistungen an sich, sondern eher um das "welcher Typ von Mitarbeitern / welche Eigenschaften machen den Erfolg aus". Gerne lasse ich Sie natürlich im Anschluss an meine Untersuchung auch an den Ergebnissen teilhaben.

Ich würde mich sehr freuen, wenn Sie für ein solches Interview zur Verfügung stehen würden und freue mich auf Ihre Rückmeldung.

Kurz noch ein Auszug zum Hintergrund (das Interview ist natürlich in deutsch)
Some background information about the topic and the research:

Organisations within many industries include services into their existing product offerings or entirely migrate to a service portfolio for several reasons. Many organisations offer a mixture of products and services, they are so-called hybrid organisations. Since the selection of new salespeople and/or the development of existing salespeople within the process of servitisation have not yet been investigated, this research strives to contribute to the knowledge of understanding the characteristics of ideal salespeople in organisations who offer products and services. This research attempts to answer the question of "How can organisations select and recruit the best-performing salespeople within hybrid B2B sales organisations?"

Besten Gruß
Sebastian Groß

Sebastian Groß
Geschäftsführer

Appendix B: Research information sheet



RESEARCH INFORMATION SHEET

You are being invited to participate in a research study. Before you decide whether to participate, it is important for you to understand why the research is being done and what it will involve. Please take time to read the following information carefully and feel free to ask us if you would like more information or if there is anything that you do not understand. We would like to stress that you do not have to accept this invitation and should only agree to take part if you want to.

Thank you for reading this.

What is the purpose of the research?

The research where you are invited to participate is about hybrid offerings in B2B organisations and potential predictors of sales performance.

Some background information about the topic and the research:

Organisations within many industries include services into their existing product offerings or entirely migrate to a service portfolio for several reasons. Many organisations offer a mixture of products and services, they are so-called hybrid organisations. Since the selection of new salespeople and/or the development of existing salespeople within the process of servitisation have not yet been investigated, this research strives to contribute to the knowledge of understanding the characteristics of ideal salespeople in organisations who offer products and services. This research attempts to answer the question of "How can organisations select and recruit the best-performing salespeople within hybrid B2B sales organisations?"

Why have you been chosen to take part?

You are involved in managing or recruiting salespeople within a B2B sales organisation. This implies that you are familiar with selection this people and the research is about to understand what you need in terms of skills, capabilities, personality, etc.

Do I have to take part?

Even if we would value your opinion, your participation is absolutely voluntary. You can also withdraw from the research at any time.

What will happen if I take part?

Your participation mainly includes a 60-90 minute interview about what you require in terms of sales and account managers within B2B sales organisations. It will also include questions about your successful sales people 'look like', i.e. what characterises their personality, their attitude, etc.

Since the research is an iterative process, we would like to come back after all interviews are conducted in order to get feedback on research results and whether you would feel comfortable with a recruiting and selection process covering the most important criteria. Our interview will be recorded (if you prefer not to be recorded, this would be fine as well) and transcribed. The transcript will be returned to you for validation that this was an accurate record of the conversation.

What are my benefits?

You will get the research results and potential tools or frameworks resulting from it, so that your candidate selection and HR development process will benefit from your participation.

What if I am unhappy or if there is a problem?

If you are unhappy, or if there is a problem, please feel free to let us know by contacting Sebastian Groß (sebastian.gross@liv.ac.uk) and we will try to help. If you remain unhappy or have a complaint which you feel you cannot come to us with then you should contact the supervisor of this research, Chris Raddats (c.raddats@liv.ac.uk), or the Research Governance Officer on +44 151 794 8290 (ethics@liv.ac.uk). When contacting the Research Governance Officer, please provide details of the name or description of the study (so that it can be identified), the researcher(s) involved, and the details of the complaint you wish to make.

Will my participation be kept confidential?

All data will be kept strictly confidential and the subsequent report will be anonymous, i.e. it is not possible to relate you or your organisation to certain details of the report. **Data will be deleted one year after the end of the project.** In the meantime, all data will be stored encrypted and only the researcher has access to them.

Who can I contact if I have further questions?

Please do not hesitate to contact Sebastian Groß on +49 151 52430668 or sebastian.gross@liv.ac.uk.

Appendix C: Consent form



Title of Research Project: Hybrid offerings in B2B organisations: predictors of sales performance

Researcher: Sebastian Groß

**Please
initial box**

1. I confirm that I have read and have understood the information sheet dated 28th July 2013 for the above study. I have had the opportunity to consider the information, ask questions and have had these answered satisfactorily.
2. I understand that my participation is voluntary and that I am free to withdraw at any time without giving any reason, without my rights being affected.
3. I understand that, under the Data Protection Act, I can at any time ask for access to the information I provide and I can also request the destruction of that information if I wish.
4. I agree to take part in the above study and have the interview recorded.

CONSENT FORM

.....
Participant Name Date Signature

.....
Researcher Date Signature

The contact details of lead Researcher (Sebastian Groß) are:

T: +49 151 52430668

E: sebastian.gross@liv.ac.uk

Appendix D: Interview guide

Interview Guide - Predictors of Sales Performance in Hybrid Organisations

Introductory questions

- What is the nature of your business?
- What are the products or services produced / sold by your organisation?
- What is your role in the company?
- How long have you worked for this company, how long within the current role?
- What is your background (in which organisations / type of organisations)?
- How many sales people are working in your organisation? How many of them are account managers / sales representatives (who manage customers / sales), how many sales managers (who take care of sales reps / account managers)?
- How large is your organisations in terms of revenues (products / services / if hybrid - share of product / service)
- How is your sales organisations structured (focus on industries, regions, etc.)?
- If hybrid: is there one sales organisations for products and services or are they sold by different divisions?
- If product-focused: have you any plans to introduce services?
- if hybrid: how have the product / service offerings developed over the last few years?
- if service: have you any background in products or did you 'start' with pure service offerings

Focusing on predictors of sales performance

- Could you please describe a typical sales process / sales cycle and how they occur within your organisation?
- What challenges does your organisation (i.e. the people within your organisation) have within these sales cycle?
- How do you / your organisation define success of your sales organisation / your salespeople?
- What challenges do you have in increasing the performance of your sales organisation?
- What are the most relevant / important predictors of sales performance?
- If you think about the most successful sales reps / account managers in your organisation, what differentiates them from less successful colleagues? (personality, behaviour, motivation)
- If you think about the most successful sales managers in your organisation, what differentiates them from less successful? (personality, behaviour, motivation)
- On the other hand, what characteristics do you miss from the least successful salespeople?
- Please describe your ideal definition of an account manager / sales rep or a sales manager.

Focus on selection processes

- Do you have a formal recruiting and selection process?
- Please describe the typical recruitment process
- What are your decision criteria for hiring an account manager / sales rep respectively a sales manager?
- To which degree is this process adjusted to the requirements of your sales organisation?
- Which tools are used for selecting the right candidate for a position (interview, structured interviews, personality assessments, competency-based assessment, etc.)
- Do the job requirements differ between various parts of the organisation (in particular within hybrid organisations?)
- In case of introducing new products / services, how is the sales organisation prepared? Do job roles differ
- What are the criteria for assessing a fit between the job role and the role holder?

Appendix E: Survey invitation

Sebastian Groß

An: Sebastian Groß

A 10 Minute Survey That Could Change The Structure Of Sales Organisations

Dear Sebastian

_____ is analysing, in cooperation with the University of Liverpool, the impact of 'servitization' on corporate B2B sales operations. Servitization covers the development of a mainly product-centred business into a service company.

Most enterprises are located between the two extremes, and the aim of this study is to develop an improved understanding of the factors which influence the success of sales organisations, and to derive from its findings recommendations for changes in the development of both staff and organisation.

We have selected you as a participant in this survey, because our records indicate that you were responsible in the past for one (or more) sales organisations. As you have therefore obtained experience which will be valuable to this project, we would be very grateful if you could participate in our survey.

The questionnaire, which you can complete in a maximum of 10 minutes, can be accessed on the following link:

<http://survey.liv.ac.uk/TakeSurvey.aspx?SurveyID=82LL5o8K>

In exchange for participating in our project, we will make its findings available to you, and we hope that this piece of work will enable us to contribute to the successful transformation of sales organisations in the B2B environment.

If you have any questions relating to this information or to the project in general, our partner Sebastian Groß, who is in charge of the project, can be contacted at sebastian.gross@_____

Kind regards,

Mit freundlichen Grüßen

Sebastian Groß
Managing Partner

BÜRO | +49 (0) 4032 892 6540
MOBIL | +49 (0) 1515 243 0668



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Appendix F: Confirmation of survey participants



Page 1 of 10

You are being invited to participate in a research study. Before you decide whether to participate, it is important for you to understand why the research is being done and what it will involve. Please take time to read the following information carefully and feel free to ask us if you would like more information or if there is anything that you do not understand. We would like to stress that you do not have to accept this invitation and should only agree to take part if you want to.

[Research Information Sheet](#)

Thank you for reading this.

1. I confirm that I have read and have understood the information sheet dated for the above study. I have had the opportunity to consider the information, ask questions and have had these answered satisfactorily.
2. I understand that my participation is voluntary and that I am free to withdraw at any time without giving any reason, without my rights being affected.
3. I understand that, under the Data Protection Act, I can at any time ask for access to the information I provide and I can also request the destruction of that information if I wish.

*

☐ Yes ☐ No

Please note:

If you have been involved in different sales organisations, please answer the questions in the survey based on the most current or most relevant sales position you have been in. Please try to stick to your experience gained within the organisation chosen.

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Cancel

Appendix G: Electronic survey



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How well are the salespeople in your unit performing?

Technical Knowledge

(1 is 'needs improvement', 7 is 'outstanding')*

	1	2	3	4	5	6	7
Knowing the design and specification of company products / services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Knowing the application and function of company products / services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Keeping abreast of your company's production and technological developments	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Adaptive Selling

(1 is 'needs improvement', 7 is 'outstanding')*

	1	2	3	4	5	6	7
Experimenting with different sales approaches	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Being flexible in the selling approaches used	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Adapting selling approaches from one customer to another	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Varying sales styles from situation to situation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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How well are the salespeople in your unit performing?

Teamwork

(1 is 'needs improvement', 7 is 'outstanding')*

	1	2	3	4	5	6	7
Generating considerable sales volume from team sales (sales made jointly by two or more salespeople)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Building strong working relationships with other people in your company	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Working very closely with non-sales employees to close sales	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Co-ordinating very closely with other company employees to handle post-sales problems	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Discussing selling strategies with people from various departments	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Sales Presentation

(1 is 'needs improvement', 7 is 'outstanding')*

	1	2	3	4	5	6	7
Listening attentively to identify and understand the real concerns of customers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Convincing customers that they understand their unique problems and concerns	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Using established contacts to develop new customers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Communicating their sales presentations clearly and consistently	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Working out solutions to a customer's questions and objections	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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How well are the salespeople in your unit performing?

Sales Planning

(1 is 'needs improvement', 7 is 'outstanding')*

	1	2	3	4	5	6	7
Planning each sales call	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Planning sales strategies for each customer	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Planning coverage of assigned territory / customer responsibility	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Planning daily activities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Sales Support

(1 is 'needs improvement', 7 is 'outstanding')*

	1	2	3	4	5	6	7
Providing after-sales services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Checking on product delivery	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Handling customer complaints	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Follow-Up on product use	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Troubleshooting application problems	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Analysing product use experience to identify new product / service ideas	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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How well are the salespeople in your unit performing?

Outcome Performance

(1 is 'needs improvement', 7 is 'outstanding')*

	1	2	3	4	5	6	7
Producing a high market share for the company	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Making sales of those products with the highest profit margins	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Generating a high level of sales revenue	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Quickly generating sales of new company products / services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Identifying and selling to major accounts	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Producing sales on blanket contracts with long-term profitability	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Exceeding all sales targets and objectives during the year	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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To what extent do you:

Monitoring

(1 is 'not at all', 10 is 'to a great extent')

*

	1	2	3	4	5	6	7	8	9	10
Spend time with salespeople in the field	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Make joint sales calls with salespeople	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Regularly renew call reports from salespeople	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Monitor the day-to-day activities of salespeople	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Observe the performance of salespeople in the field	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Evaluating

(1 is 'not at all', 10 is 'to a great extent')

*

	1	2	3	4	5	6	7	8	9	10
Evaluate the number of sales calls made by salespeople	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Evaluate the profit contribution achieved by salespeople	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Evaluate the sales results of each salesperson	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Evaluate the quality of sales presentations made by salespeople	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Evaluate the professional development of salespeople	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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Cancel

To what extent do you:

Rewarding

(1 is 'not at all', 10 is 'to a great extent')

*

	1	2	3	4	5	6	7	8	9	10
Providing performance feedback to salespeople on a regular basis	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Compensate salespeople based on the quality of their sales activities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Use incentive compensation as a major means for motivating salespeople	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Make incentive compensation judgements based on the sales results achieved by salespeople	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Reward sales people based on their sales results	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Use non-financial incentives to reward salespeople for their achievements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Compensate salespeople based on the quantity of their sales activities?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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The extent to which your salespeople:

Organisational commitment

(1 is 'no importance', 10 is 'critically important')

*

	1	2	3	4	5	6	7	8	9	10
Feel a sense of being innovative in their work	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Get a feeling of loyal association with the company	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Have a sense of being creative and imaginative in their work	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Get a feeling of stimulation and a sense of challenging involvement in their work	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Study customer needs to guide selling strategy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Feel a sense of personal growth and development in their work	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Possess expert selling skills	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Have high respects from superiors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Have respect from fellow workers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Obtain a sense of accomplishment from their work	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Customize their selling approaches to individual accounts	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Focus on satisfying customer needs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Welcome reviews of their performance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Spend substantial time planning sales calls	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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Appendix H: Survey items

Hyp	Items	Source
H ₁	Technical Knowledge	How well are the salespeople in your unit performing in regard to knowing the design and specification of the company products / services
H ₂		How well are the salespeople in your unit performing in regard to knowing the application and function of the company products / services
H ₃		How well are the salespeople in your unit performing in regard to keeping abreast of your company's production and technological developments
H ₄	Sales Presentation	How well are the salespeople in your unit performing in regard to listening attentively to identify and understand the real concerns of customers
H ₅		How well are the salespeople in your unit performing in regard to working out solutions to a customer's questions and objections
H ₆		How well are the salespeople in your unit performing in regard to convincing customers that they understand their unique problems and concerns
H ₇	Adaptive Selling	How well are the salespeople in your unit performing in regard to adapting selling approaches from one customer to another
H ₈		How well are the salespeople in your unit performing in regard to varying sales styles from situation to situation
H ₉		How well are the salespeople in your unit performing in regard to being flexible in the selling approaches used
H ₁₀		How well are the salespeople in your unit performing in regard to experimenting with different sales approaches
H ₁₁	Teamwork	How well are the salespeople in your unit performing in regard to generating considerable sales volume from team sales (sales made jointly by two or more salespeople)
H ₁₂		How well are the salespeople in your unit performing in regard to building strong working relationships with other people in your company
H ₁₃		How well are the salespeople in your unit performing in regard to working very closely with non-sales employees to close sales
H ₁₄	Sales Management Control Systems: Rewarding	To what extent do you use incentive compensation as a major means for motivating salespeople
H ₁₅		To what extent do you make incentive compensation judgements based on the sales results achieved by salespeople
H ₁₆		To what extent do you reward salespeople based on their sales results

Appendix I: Test of normality

Tests of Normality							
IndustryID		Kolmogorov-Smirnov ^a			Shapiro-Wilk		
		Statistic	df	Sig.	Statistic	df	Sig.
H1	1	,292	30	,000	,809	30	,000
	2	,239	23	,001	,893	23	,018
H2	1	,306	30	,000	,786	30	,000
	2	,250	23	,001	,807	23	,000
H3	1	,221	30	,001	,901	30	,009
	2	,226	23	,004	,826	23	,001
H4	1	,177	30	,017	,925	30	,037
	2	,220	23	,005	,907	23	,035
H5	1	,222	30	,001	,906	30	,012
	2	,190	23	,032	,920	23	,067
H6	1	,253	30	,000	,885	30	,004
	2	,210	23	,010	,907	23	,035
H7	1	,268	30	,000	,869	30	,002
	2	,155	23	,160	,942	23	,200
H8	1	,205	30	,002	,930	30	,049
	2	,179	23	,055	,925	23	,084
H9	1	,186	30	,010	,927	30	,041
	2	,201	23	,017	,927	23	,096
H10	1	,209	30	,002	,907	30	,013
	2	,203	23	,015	,941	23	,193
H11	1	,187	30	,009	,948	30	,147
	2	,211	23	,009	,900	23	,025
H12	1	,263	30	,000	,793	30	,000
	2	,174	23	,069	,917	23	,057
H13	1	,203	30	,003	,913	30	,018
	2	,245	23	,001	,879	23	,009
H14	1	,168	30	,030	,901	30	,009
	2	,211	23	,009	,881	23	,010
H15	1	,174	30	,022	,905	30	,011
	2	,264	23	,000	,794	23	,000
H16	1	,199	30	,004	,880	30	,003
	2	,167	23	,096	,876	23	,009

a. Lilliefors Significance Correction

Appendix J: SPSS output Mann-Whitney test

Mann-Whitney Test

		Ranks		
IndustryID		N	Mean Rank	Sum of Ranks
H1	1	33	32,65	1077,50
	2	28	29,05	813,50
	Total	61		
H2	1	33	34,23	1129,50
	2	28	27,20	761,50
	Total	61		
H3	1	33	32,38	1068,50
	2	28	29,38	822,50
	Total	61		
H4	1	33	29,42	971,00
	2	28	32,86	920,00
	Total	61		
H5	1	33	31,17	1028,50
	2	28	30,80	862,50
	Total	61		
H6	1	33	31,80	1049,50
	2	28	30,05	841,50
	Total	61		
H7	1	33	29,50	973,50
	2	28	32,77	917,50
	Total	61		
H8	1	33	30,79	1016,00
	2	28	31,25	875,00
	Total	61		
H9	1	33	28,26	932,50
	2	27	33,24	897,50
	Total	60		
H10	1	33	29,15	962,00
	2	28	33,18	929,00
	Total	61		
H11	1	33	29,82	984,00
	2	28	32,39	907,00
	Total	61		
H12	1	33	31,21	1030,00
	2	28	30,75	861,00
	Total	61		
H13	1	32	29,13	932,00
	2	28	32,07	898,00
	Total	60		
H14	1	32	24,80	793,50
	2	25	34,38	859,50
	Total	57		
H15	1	31	25,27	783,50
	2	25	32,50	812,50
	Total	56		
H16	1	32	23,55	753,50
	2	24	35,10	842,50
	Total	56		

Test Statistics ^a								
	H1	H2	H3	H4	H5	H6	H7	H8
Mann-Whitney U	407,500	355,500	416,500	410,000	456,500	435,500	412,500	455,000
Wilcoxon W	813,500	761,500	822,500	971,000	862,500	841,500	973,500	1016,000
Z	-,846	-,629	-,681	-,772	-,082	-,399	-,734	-,104
Asymp. Sig. (2-tailed)	,398	,103	,496	,440	,934	,690	,463	,917

a. Grouping Variable: IndustryID

Test Statistics ^a								
	H9	H10	H11	H12	H13	H14	H15	H16
Mann-Whitney U	371,500	401,000	423,000	455,000	404,000	265,500	287,500	225,500
Wilcoxon W	932,500	962,000	984,000	861,000	932,000	793,500	783,500	753,500
Z	-,123	-,900	-,577	-,105	-,675	-,2181	-,1662	-,2654
Asymp. Sig. (2-tailed)	,261	,368	,564	,916	,499	,029	,097	,008

a. Grouping Variable: IndustryID

Descriptives				
IndustryID			Statistic	Std. Error
H1	1	Mean	5,33	,168
		95% Confidence Interval for Mean	Lower Bound 4,99	
			Upper Bound 5,68	
		5% Trimmed Mean	5,37	
		Median	5,00	
		Variance	,851	
		Std. Deviation	,922	
		Minimum	3	
		Maximum	7	
		Range	4	
		Interquartile Range	1	
		Skewness	-,461	,427
		Kurtosis	1,601	,833
	2	Mean	5,00	,227
		95% Confidence Interval for Mean	Lower Bound 4,53	
			Upper Bound 5,47	
		5% Trimmed Mean	5,01	
		Median	5,00	
		Variance	1,182	
		Std. Deviation	1,087	
		Minimum	3	
		Maximum	7	
		Range	4	
		Interquartile Range	2	
		Skewness	-,465	,481
		Kurtosis	-,292	,935
H2	1	Mean	5,53	,238
		95% Confidence Interval for Mean	Lower Bound 5,05	
			Upper Bound 6,02	
		5% Trimmed Mean	5,65	
		Median	6,00	
		Variance	1,706	
		Std. Deviation	1,306	
		Minimum	2	
		Maximum	7	
		Range	5	
		Interquartile Range	1	
		Skewness	-1,521	,427
		Kurtosis	2,243	,833
	2	Mean	5,13	,202
		95% Confidence Interval for Mean	Lower Bound 4,71	
			Upper Bound 5,55	
		5% Trimmed Mean	5,20	
		Median	5,00	
		Variance	,937	
		Std. Deviation	,968	
		Minimum	3	
		Maximum	6	
		Range	3	
		Interquartile Range	1	
		Skewness	-,940	,481
		Kurtosis	,071	,935

Descriptives				
IndustryID			Statistic	Std. Error
H3	1	Mean	5,10	,205
		95% Confidence Interval for Mean	Lower Bound 4,68	
			Upper Bound 5,52	
		5% Trimmed Mean	5,11	
		Median	5,00	
		Variance	1,266	
		Std. Deviation	1,125	
		Minimum	3	
		Maximum	7	
		Range	4	
		Interquartile Range	2	
		Skewness	-,364	,427
		Kurtosis	-,678	,833
	2	Mean	4,78	,243
		95% Confidence Interval for Mean	Lower Bound 4,28	
			Upper Bound 5,29	
		5% Trimmed Mean	4,81	
		Median	5,00	
		Variance	1,360	
		Std. Deviation	1,166	
		Minimum	3	
		Maximum	6	
		Range	3	
H4	1	Mean	4,93	,214
		95% Confidence Interval for Mean	Lower Bound 4,50	
			Upper Bound 5,37	
		5% Trimmed Mean	4,96	
		Median	5,00	
		Variance	1,375	
		Std. Deviation	1,172	
		Minimum	2	
		Maximum	7	
		Range	5	
		Interquartile Range	2	
		Skewness	-,138	,427
		Kurtosis	,194	,833
	2	Mean	4,91	,294
		95% Confidence Interval for Mean	Lower Bound 4,30	
			Upper Bound 5,52	
		5% Trimmed Mean	4,96	
		Median	5,00	
		Variance	1,992	
		Std. Deviation	1,411	
		Minimum	2	
		Maximum	7	
		Range	5	
		Interquartile Range	2	
		Skewness	-,683	,481
		Kurtosis	-,136	,935

Descriptives				
IndustryID			Statistic	Std. Error
H5	1	Mean	5,03	,222
		95% Confidence Interval for Mean	Lower Bound 4,58	
			Upper Bound 5,49	
		5% Trimmed Mean	5,07	
		Median	5,00	
		Variance	1,482	
		Std. Deviation	1,217	
		Minimum	2	
		Maximum	7	
		Range	5	
		Interquartile Range	2	
		Skewness	-,682	,427
		Kurtosis	,125	,833
	2	Mean	4,87	,290
		95% Confidence Interval for Mean	Lower Bound 4,27	
			Upper Bound 5,47	
		5% Trimmed Mean	4,90	
		Median	5,00	
		Variance	1,937	
		Std. Deviation	1,392	
		Minimum	2	
		Maximum	7	
		Range	5	
		Interquartile Range	2	
		Skewness	-,411	,481
		Kurtosis	-,733	,935
H6	1	Mean	5,13	,208
		95% Confidence Interval for Mean	Lower Bound 4,71	
			Upper Bound 5,56	
		5% Trimmed Mean	5,19	
		Median	5,00	
		Variance	1,292	
		Std. Deviation	1,137	
		Minimum	2	
		Maximum	7	
		Range	5	
		Interquartile Range	1	
		Skewness	-,882	,427
		Kurtosis	1,051	,833
	2	Mean	4,96	,255
		95% Confidence Interval for Mean	Lower Bound 4,43	
			Upper Bound 5,49	
		5% Trimmed Mean	4,95	
		Median	5,00	
		Variance	1,498	
		Std. Deviation	1,224	
		Minimum	3	
		Maximum	7	
		Range	4	
		Interquartile Range	2	
		Skewness	-,236	,481
		Kurtosis	-,712	,935

Descriptives				
IndustryID			Statistic	Std. Error
H7	1	Mean	4,40	,252
		95% Confidence Interval for Mean	Lower Bound 3,88	
			Upper Bound 4,92	
		5% Trimmed Mean	4,48	
		Median	5,00	
		Variance	1,903	
		Std. Deviation	1,380	
		Minimum	1	
		Maximum	6	
		Range	5	
		Interquartile Range	2	
		Skewness	-,621	,427
		Kurtosis	-,470	,833
	2	Mean	4,61	,360
		95% Confidence Interval for Mean	Lower Bound 3,86	
			Upper Bound 5,35	
		5% Trimmed Mean	4,67	
		Median	5,00	
		Variance	2,976	
		Std. Deviation	1,725	
		Minimum	1	
		Maximum	7	
		Range	6	
		Interquartile Range	3	
		Skewness	-,318	,481
		Kurtosis	-,591	,935
H8	1	Mean	4,57	,223
		95% Confidence Interval for Mean	Lower Bound 4,11	
			Upper Bound 5,02	
		5% Trimmed Mean	4,57	
		Median	5,00	
		Variance	1,495	
		Std. Deviation	1,223	
		Minimum	2	
		Maximum	7	
		Range	5	
		Interquartile Range	2	
		Skewness	-,165	,427
		Kurtosis	-,665	,833
	2	Mean	4,70	,291
		95% Confidence Interval for Mean	Lower Bound 4,09	
			Upper Bound 5,30	
		5% Trimmed Mean	4,72	
		Median	5,00	
		Variance	1,949	
		Std. Deviation	1,396	
		Minimum	2	
		Maximum	7	
		Range	5	
		Interquartile Range	2	
		Skewness	-,059	,481
		Kurtosis	-,168	,935

Descriptives				
IndustryID			Statistic	Std. Error
H9	1	Mean	3,93	,253
		95% Confidence Interval for Mean	Lower Bound 3,42	
			Upper Bound 4,45	
		5% Trimmed Mean	3,96	
		Median	4,00	
		Variance	1,926	
		Std. Deviation	1,388	
		Minimum	1	
		Maximum	6	
		Range	5	
		Interquartile Range	2	
		Skewness	-,288	,427
		Kurtosis	-,720	,833
	2	Mean	4,35	,292
		95% Confidence Interval for Mean	Lower Bound 3,74	
			Upper Bound 4,95	
		5% Trimmed Mean	4,34	
		Median	5,00	
		Variance	1,964	
		Std. Deviation	1,402	
		Minimum	2	
		Maximum	7	
		Range	5	
		Interquartile Range	2	
		Skewness	-,037	,481
		Kurtosis	-,962	,935
H10	1	Mean	3,97	,277
		95% Confidence Interval for Mean	Lower Bound 3,40	
			Upper Bound 4,53	
		5% Trimmed Mean	4,02	
		Median	4,00	
		Variance	2,309	
		Std. Deviation	1,520	
		Minimum	1	
		Maximum	6	
		Range	5	
		Interquartile Range	2	
		Skewness	-,445	,427
		Kurtosis	-,753	,833
	2	Mean	4,26	,328
		95% Confidence Interval for Mean	Lower Bound 3,58	
			Upper Bound 4,94	
		5% Trimmed Mean	4,29	
		Median	5,00	
		Variance	2,474	
		Std. Deviation	1,573	
		Minimum	1	
		Maximum	7	
		Range	6	
		Interquartile Range	2	
		Skewness	-,397	,481
		Kurtosis	-,588	,935

Descriptives				
IndustryID			Statistic	Std. Error
H11	1	Mean	4,40	,278
		95% Confidence Interval for Mean	Lower Bound 3,83	
			Upper Bound 4,97	
		5% Trimmed Mean	4,43	
		Median	5,00	
		Variance	2,317	
		Std. Deviation	1,522	
		Minimum	1	
		Maximum	7	
		Range	6	
		Interquartile Range	2	
		Skewness	-,362	,427
		Kurtosis	-,383	,833
	2	Mean	4,57	,349
		95% Confidence Interval for Mean	Lower Bound 3,84	
			Upper Bound 5,29	
		5% Trimmed Mean	4,57	
		Median	5,00	
		Variance	2,802	
		Std. Deviation	1,674	
		Minimum	2	
		Maximum	7	
		Range	5	
		Interquartile Range	3	
		Skewness	-,060	,481
		Kurtosis	-1,104	,935
H12	1	Mean	5,20	,206
		95% Confidence Interval for Mean	Lower Bound 4,78	
			Upper Bound 5,62	
		5% Trimmed Mean	5,30	
		Median	5,00	
		Variance	1,269	
		Std. Deviation	1,126	
		Minimum	2	
		Maximum	7	
		Range	5	
		Interquartile Range	1	
		Skewness	-1,507	,427
		Kurtosis	2,768	,833
	2	Mean	5,04	,311
		95% Confidence Interval for Mean	Lower Bound 4,40	
			Upper Bound 5,69	
		5% Trimmed Mean	5,10	
		Median	5,00	
		Variance	2,225	
		Std. Deviation	1,492	
		Minimum	2	
		Maximum	7	
		Range	5	
		Interquartile Range	2	
		Skewness	-,531	,481
		Kurtosis	-,337	,935

Descriptives				
IndustryID			Statistic	Std. Error
H13	1	Mean	4,87	,243
		95% Confidence Interval for Mean	Lower Bound 4,37	
			Upper Bound 5,36	
		5% Trimmed Mean	4,89	
		Median	5,00	
		Variance	1,775	
		Std. Deviation	1,332	
		Minimum	2	
		Maximum	7	
		Range	5	
		Interquartile Range	2	
		Skewness	-,396	,427
		Kurtosis	-,792	,833
	2	Mean	4,83	,293
		95% Confidence Interval for Mean	Lower Bound 4,22	
			Upper Bound 5,43	
		5% Trimmed Mean	4,87	
		Median	5,00	
		Variance	1,968	
		Std. Deviation	1,403	
		Minimum	2	
		Maximum	7	
		Range	5	
H14	1	Mean	5,40	,560
		95% Confidence Interval for Mean	Lower Bound 4,25	
			Upper Bound 6,55	
		5% Trimmed Mean	5,39	
		Median	5,50	
		Variance	9,421	
		Std. Deviation	3,069	
		Minimum	1	
		Maximum	10	
		Range	9	
		Interquartile Range	6	
		Skewness	-,046	,427
		Kurtosis	-1,531	,833
	2	Mean	7,13	,484
		95% Confidence Interval for Mean	Lower Bound 6,13	
			Upper Bound 8,13	
		5% Trimmed Mean	7,30	
		Median	8,00	
		Variance	5,391	
		Std. Deviation	2,322	
		Minimum	1	
		Maximum	10	
		Range	9	
		Interquartile Range	3	
		Skewness	-1,199	,481
		Kurtosis	1,106	,935

Descriptives				
IndustryID			Statistic	Std. Error
H15	1	Mean	5,03	,576
		95% Confidence Interval for Mean		
		Lower Bound	3,85	
		Upper Bound	6,21	
		5% Trimmed Mean	4,98	
		Median	5,00	
		Variance	9,964	
		Std. Deviation	3,157	
		Minimum	1	
		Maximum	10	
		Range	9	
		Interquartile Range	6	
		Skewness	,186	,427
		Kurtosis	-1,414	,833
	2	Mean	6,39	,525
		95% Confidence Interval for Mean		
		Lower Bound	5,30	
		Upper Bound	7,48	
		5% Trimmed Mean	6,55	
		Median	7,00	
		Variance	6,340	
		Std. Deviation	2,518	
		Minimum	1	
		Maximum	9	
		Range	8	
		Interquartile Range	2	
		Skewness	-1,329	,481
		Kurtosis	,784	,935
H16	1	Mean	5,97	,600
		95% Confidence Interval for Mean		
		Lower Bound	4,74	
		Upper Bound	7,19	
		5% Trimmed Mean	6,02	
		Median	6,00	
		Variance	10,792	
		Std. Deviation	3,285	
		Minimum	1	
		Maximum	10	
		Range	9	
		Interquartile Range	6	
		Skewness	-,212	,427
		Kurtosis	-1,560	,833
	2	Mean	8,09	,387
		95% Confidence Interval for Mean		
		Lower Bound	7,28	
		Upper Bound	8,89	
		5% Trimmed Mean	8,24	
		Median	8,00	
		Variance	3,447	
		Std. Deviation	1,857	
		Minimum	3	
		Maximum	10	
		Range	7	
		Interquartile Range	3	
		Skewness	-,932	,481
		Kurtosis	,798	,935